

Annual budget of *Siyancuma Municipality*

2017/18 TO 2019/20
MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS

VISION

A sustainable and economically viable community where residents enjoy a high quality of life.

MISSION

To economically and socially develop and empower the community through transparent, accountable, and democratic governments and by utilizing all available resources and human skills.



Copies of this document can be viewed:

In the foyers of all municipal buildings
All public libraries within the municipality

TABLE OF CONTENTS

PART 1 – ANNUAL BUDGET	2
MAYORAL SPEECH 2017/2018; SIYANCUMA MUNICIPALITY	2
1.1 COUNCIL RESOLUTIONS	7
1.2 EXECUTIVE SUMMARY	8
Table 1 Consolidated Overview of the 2017/18 MTREF	10
1.3 OPERATING REVENUE FRAMEWORK	11
Table 2 Summary of revenue classified by main revenue source	12
Table 3 Percentage growth in revenue by main revenue source	14
Table 4 Operating Transfers and Grant Receipts (SA18)	15
1.3.1 Property Rates	17
Table 5 Comparison of proposed rates to levied for the 2017/18	19
1.3.2 Sale of Water and Impact on Tariff Increases	20
Table 6 Proposed Water Tariffs	20
Table 7 Comparison between current water charges and increases (Domestic)	23
1.3.3 Sale of Electricity and Impact of Tariff Increases	23
Table 8 Comparison between current electricity charges and increases (Domestic)	24
1.3.4 Sanitation and Impact of Tariff Increases	24
Table 9 Comparison between current sanitation charges and increases	25
1.3.5 Waste Removal and Impact of Tariff Increases	25
Table 10 Comparison between current waste removal fees and increases	26
1.3.6 Overall impact of tariff increases on households	26
Table 11 Household Bill	27
1.4 OPERATING EXPENDITURE FRAMEWORK	28
1.4.1 Priority given to repairs and maintenance	31
Table 12 Operational repairs and maintenance	33
1.4.2 Free Basic Services: Basic Social Services Package	39
1.5 CAPITAL EXPENDITURE	39
1.5.1 Future operational cost of new infrastructure	42
1.6 ANNUAL BUDGET TABLES - PARENT MUNICIPALITY	43
Table 14 MBRR Table A1 - Budget Summary	44
Table 15 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)	47
Table 16 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)	49
Table 17 Surplus/(Deficit) calculations for the trading services	50
Table 18 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)	51
Table 19 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source	56
Table 20 MBRR Table A6 - Budgeted Financial Position	60
Table 21 MBRR Table A7 - Budgeted Cash Flow Statement	63
Table 22 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation	65
Table 23 MBRR Table A9 - Asset Management	66
Table 24 MBRR Table A10 - Basic Service Delivery Measurement	72
PART 2 – SUPPORTING DOCUMENTATION	75
1.7 OVERVIEW OF THE ANNUAL BUDGET PROCESS	75
1.7.1 Budget Process Overview	76
1.7.2 IDP and Service Delivery and Budget Implementation Plan	77
1.7.3 Financial Modelling and Key Planning Drivers	77

1.7.4	<i>Community Consultation</i>	78
1.8	OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP	78
	Table 25 IDP Strategic Objectives	78
	Table 26 MBRR revenue Table SA4 - Reconciliation between the IDP strategic objectives and budget	81
	Table 27 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure	82
	Table 28 MBRR Table SA6 - Reconciliation between the IDP strategic objectives.	84
1.9	MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS.....	86
	Table 29 MBRR Table SA7 - Measurable performance objectives.....	90
1.9.1	<i>Performance indicators and benchmarks</i>	90
1.9.1.1	Borrowing Management	90
1.9.1.2	Safety of Capital	90
1.9.1.3	Liquidity.....	90
1.9.1.4	Revenue Management	90
1.9.1.5	Creditors Management.....	90
1.9.1.6	Other Indicators	91
1.9.2	<i>Free Basic Services: basic social services package for indigent households</i>	91
1.10	OVERVIEW OF BUDGET RELATED-POLICIES	91
1.10.1	<i>Review of credit control and debt collection procedures/policies</i>	92
1.11	OVERVIEW OF BUDGET ASSUMPTIONS	92
1.11.1	<i>External factors</i>	92
1.11.2	<i>General inflation outlook and its impact on the municipal activities</i>	92
1.11.3	<i>Collection rate for revenue services</i>	93
1.11.4	<i>Salary increases</i>	93
1.11.5	<i>Ability of the municipality to spend and deliver on the programmes</i>	93
1.12	OVERVIEW OF BUDGET FUNDING.....	93
1.12.1	<i>Medium-term outlook: operating revenue</i>	93
	Table 30 Performance Indicators & Benchmarking	94
	Table 31 Breakdown of the operating revenue over the medium-term	96
	Table 32 MBRR SA15 – Detail Investment Information	97
1.12.2	<i>Medium-term outlook: capital revenue</i>	98
	Table 33 Sources of capital revenue over the MTREF	98
	Table 34 MBRR Table SA 17 - Detail of borrowings.....	99
	Table 35 MBRR Table SA 18 - Capital transfers and grant receipts	101
1.12.3	<i>Cash Flow Management</i>	102
	Table 36 MBRR Table A7 - Budget cash flow statement.....	103
1.12.4	<i>Cash Backed Reserves/Accumulated Surplus Reconciliation</i>	104
	Table 37 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation.....	105
1.12.5	<i>Funding compliance measurement</i>	106
	Table 38 MBRR Table A10 – Funding Measurements.....	107
1.12.5.1	Cash/cash equivalent position	111
1.12.5.2	Cash plus investments less application of funds	111
1.12.5.3	Monthly average payments covered by cash or cash equivalents.....	112
1.12.5.4	Surplus/deficit excluding depreciation offsets.....	112
1.12.5.5	Property Rates/service charge revenue as a percentage increase less macro inflation target	112
1.12.5.6	Cash receipts as a percentage of ratepayer and other revenue	112
1.12.5.7	Debt impairment expense as a percentage of billable revenue	112
1.12.5.8	Capital payments percentage of capital expenditure	113

1.12.5.9	Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)	113
1.12.5.10	Transfers/grants revenue as a percentage of Government transfers/grants available	113
1.12.5.11	Consumer debtors change (Current and Non-current)	113
1.12.5.12	Repairs and maintenance expenditure level	113
1.12.5.13	Asset renewal/rehabilitation expenditure level	113
	Table 39 MBRR SA19 - Expenditure on transfers and grant programmes	114
	Table 40 MBRR SA 20 - Reconciliation between of transfers, grants	116
1.13	COUNCILLOR AND EMPLOYEE BENEFITS	117
	Table 41 MBRR SA22 - Summary of councillor and staff benefits	117
	Table 43 MBRR SA24 – Summary of personnel numbers	120
	Table 44 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)	127
1.14	CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS	131
1.15	CAPITAL EXPENDITURE DETAILS	131
	Table 45 MBRR SA 34a - Capital expenditure on new assets by asset class	132
	Table 46 MBRR SA 34b - Capital expenditure on renewal assets by asset class	137
	Table 47 MBRR SA36 - Detailed capital budget per municipal vote	152
1.16	LEGISLATION COMPLIANCE STATUS	155
1.17	OTHER SUPPORTING DOCUMENTS	156
	Table 48 MBRR Table SA1 - Supporting detail to budgeted financial performance	156
1.17.1.1	Table 52 -Schedule of Service Delivery Standards Table	161

List of Figures

Figure 1	Main Operating Expenditure Catogary	32
Figure 2	Expenditure by Major Type	55
Figure 3	Capital Infrustructure Program	59
Figure 4	Planning, budgeting and reporting cycle	87

Abbreviations and Acronyms

ASGISA Accelerated and Shared Growth Initiative
CFO Chief Financial Officer

CPI	Consumer Price Index
CRRF	Capital Replacement Reserve Fund
DBSA	Development Bank of South Africa
DoRA	Division of Revenue Act
DWA	Department of Water Affairs
EE	Employment Equity
FBS	Free basic services
GAMAP	Generally Accepted Municipal Accounting Practice
GRAP	General Recognised Accounting Practice
HR	Human Resources
IDP	Integrated Development Strategy
IT	Information Technology
kℓ	kilolitre
km	kilometre
KPA	Key Performance Area
KPI	Key Performance Indicator
kWh	kilowatt
ℓ	litre
LED	Local Economic Development
MFMA	Municipal Financial Management Act Programme
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MPRA	Municipal Properties Rates Act
MSA	Municipal Systems Act
MTEF	Medium-term Expenditure Framework
MTREF	Medium-term Revenue and Expenditure Framework
NERSA	National Electricity Regulator South Africa
NGO	Non-Governmental organisations
NKPIs	National Key Performance Indicators
NT	National Treasury
PBO	Public Benefit Organisations
PMS	Performance Management System
PPE	Property Plant and Equipment
RDP	Reconstruction and Development Plan
SALGA	South African Local Government Association
SAPS	South African Police Service
SCMP	Supply Chain Management Policy
SDBIP	Service Delivery Budget Implementation Plan
SMME	Small Micro and Medium Enterprises

Part 1 – Annual Budget

Mayoral Speech 2017/2018; Siyancuma Municipality

Geagte Raadslede van die Siyancuma Munisipaliteit;

Genooide Gaste;

Munisipale Bestuurder en Senior Bestuurders in die Munisipaliteit;

Vennote in Plaaslike Bestuur; en

Inwoners in die Siyancuma Munisipale Area.

Die Nasionale Ontwikkelings Plan en die Infrastruktuur programme vorm steeds die ruggraat van die ontwikkelings inisiatiewe en die munisipaliteit sal homself moet posisioneer om die voordele van hierdie programme aan die inwoners van hierdie munisipaliteit bekend te stel en ook deel te neem daaraan.

Die munisipaliteit sal met Staatsdepartemente onderhandel vir moontlike geleenthede in die munisipale area en u kan verseker wees dat ons geen geleentheid sal laat verby gaan om voordele vir die gemeenskap te onderhandel nie.

Die munisipaliteit onderskryf steeds die visie van die munisipaliteit, dit lei dan ook as volg:

“ 'n Munisipaliteit gefokus op effektiewe dienslewering ‘onderskryf’ deur 'n volhoubare ekonomie”

Die visie reflekteer dan ook die volgende kritieke areas:

Ons bewustheid rakende effektiewe dienslewering

Hier wil ons weer die gemeenskap en al ons vennote in dienslewering verseker dat ons steeds verbind is in ons strewe om tot dienslewering en vasbeslote is om die mandaat

wat die gemeenskap van Siyancuma ons gegee het uit te voer. Ons is vasbeslote om 'n organisasie kultuur te skep om die gemeenskap te verenig in ons dienslewering pogings.

Ons ideale in die vereniging van ons munisipaliteit in 'n funksionele eenheid

Soos ek reeds in die verlede gesê het, is ons steeds besig na 15 jaar in die nuwe munisipale bedeling om die munisipaliteit vanaf die verskillende dorpe en lande gebiede in een effektiewe eenheid te probeer omskep. Ons sukkel steeds om die werk- mag in dieselfde rigting teen die dieselfde pas te stuur. Ons is dus deur ons visie, missie en korporatiewe kultuur besig om hierdie potensieel ongemaklike situasie aan te spreek.

Ons begrip van wat dit verg om 'n munisipaliteit te wees wat gefokus is op dienslewering

Dames en here, ons visie gee ons 'n duidelike opdrag, dat ons fokus op '*dienslewering*' onderskryf word deur *ekonomiese 'volhoubaarheid'*. Dit beteken dat die Siyancuma Munisipaliteit sal bydra tot sy eie ondergang indien ons nie 'n omgewing skep vir ekonomiese ontwikkeling en investering nie. Dit bring mee dat investerings moontlikhede en behoud in die Siyancuma Munisipale area 'n kerndrywer is. Hierdie investerings- en behoud moontlikhede moet as 'n proses gesien word wat versterk sal word deur die doelwitte van munisipaliteit wat omsigtig en doeltreffend regeer en bestuur word. Dit beteken verder dat vergrote investerings vertroue gebou moet word op 'n gemeenskap wat ge-rat is vir groei en ontwikkeling.

Geagte Raadslede, wanneer ons oor hierdie sake praat, moet ons 'n paar oomblikke neem om eerlik te besin oor die uniekheid van ons munisipaliteit, ons is ryk aan hulpbronne en kultuur. Ons as Munisipale Raad aanvaar en omarm hierdie diversiteit en onderneem om dit te bevorder.

Hierdie begroting wat vandag aan u voorgelê word is 'n produk van die Raad se visie om hierdie diversiteit te bevorder. Deur die Geïntegreerde Ontwikkeling Plan (IDP) proses en later deur die begrotings konsultasie proses is u insette deeglik oorweeg.

Munisipale Bestuurder, gee my die geleentheid om die volgende onder u aandag te bring, alhoewel die Raad reeds die IDP goedgekeur het, sal die finale IDP eers op 30 Junie

2015 goedgekeur word, voor dit kan gebeur moet die munisipaliteit verseker dat die IDP, die begroting en die SDBIP by mekaar aangepas is. Hierdie begroting is dus 'n kritieke deel van die IDP as 'n sektorale plan.

Ons sal gedurende die begrotings periode ook moet konsentreer om die wykskomitees en Portefeulje Komitees van die Raad meer aktief betrokke te kry in die werksaamhede van die munisipaliteit en die gaping tussen raadslede en die gemeenskap te vernou.

Geagte Raadslede, laat my toe om die 2017/18 begroting aan u voor te lê

It is my pleasure to present a budget of a total expenditure of **R 193 676 000**. This total expenditure is divided into two major components and these are:

Operating Budget of R 166 055 000

From this total operating budget the total employee related costs are **R 54 543 000** and this account for **32,8%** of the total budget. I am glad to announce that this is below the nationally accepted norm of 35%. In reality ladies and gentlemen, it means we are utilising our human resources prudently and thus giving us room for human resources expansion should it be deemed necessary in the future.

Capital Budget of R 27 621 000

The Capital Budget that has been committed to date is Rxx and we remain hopeful that this figure will be adjusted upwardly with more funding commitments from our various service delivery partners in government. This capital budget will be spent as follows:

- Office Equipment and computers
- Libraries
- Electricity
- Water
- Waste Water Management

The Capital Budget accounts for 14,3% of the total budget of the municipality. This could be attributed to the fact that according to Census 2011, there has been a decline in the population of Siyancuma from a population of just over 39000 to just over 37 000 people.

Ladies and gentlemen, you will note that this capital budget inhibits the municipality from implementing all its priorities as outlined in the IDP. This situation is further exacerbated by the fact that the municipality is unable to utilise its own plant (yellow fleet) for our day-

to-day operations. Had we had our own plant, we would have been able to spend more time providing effective and reliable services. It is therefore our desire to explore the desirability and feasibility of taking up a loan for this purpose.

Councillors, in order to fund the expenditure of the municipality, the municipality will have to put in place a number of revenue related measures and it is hoped that these will reach a total of R 193 676 000. This is accounted for in the form of grants from National Government and these are viz:

Operating Transfers and Grants

National Government:	43280000
Local Government Equitable Share	39475000
Finance Management	1875000
Municipal Systems Improvement	930000
EPWP Incentive	1000000
Sport and Recreation	648000
Total Operating Transfers and Grants	43928000

Capital Transfers and Grants

National Government:	19587000
Municipal Infrastructure Grant (MIG)	16187000
Electrification Grant	3400000
ACIP & Sport and Recreation	4610000
Total Capital Transfers and Grants	24197000

The municipality will however need to generate their own income by delivering services to its customers and collect property rates tax from all property owners within the municipality. In this regard the taxes and tariffs for services delivered will be affected as such:

Rates	8,75%
Electricity	7%
Water	8%
Waste Water Management	8%
Solid waste	8%

Councillors in the presence of all stakeholders and in particular the communities, allow me to reflect on the state of outstanding debt in the municipality. The Siyancuma Municipality is owed a total of over R 53 913 000 million by its customers. This in effect would have meant that the municipality would have had more than R 54 million in capital projects. Can you imagine how much can be done with R 54 million?

It is our hope to recover this amount of money and in the process supplement our service delivery efforts. In this regard, I urge councillors to be vigilant in the encouragement of customers to pay their rates and taxes and once more for the indigents, we have a process that governs our assistance to them and we need to encourage them to register. We will need to change the payment culture in the municipality and look and endeavours to enhance revenue.

Having said that I think we are all in agreement that we will start with our own officials and councillors who have outstanding municipal debt and we must consistently take a no-nonsense approach towards this.

In conclusion, I believe that the Siyancuma Municipality is on a growth trajectory. In this regard not only have we put in place plans for development, we have also vigorously taken pain to develop a positive organisational culture and have adopted new values and these are:

- ✓ Honesty
- ✓ Responsibility
- ✓ Accessibility
- ✓ Corruption Free

- ✓ High work ethic
- ✓ Rule of law
- ✓ Integrity

Councillors, the officials and in particular the senior management have committed to ensuring that they will institutionalise these values and as such ensure a culture shift within the municipality. I believe that the success of this budget lies in those efforts and the efforts of the collective to be conscious and diligent in the execution of their duties.

Enkosi

Baie dankie

Thank you

Ke a leboga

1.1 Council Resolutions

On 31 March 2017 the Council of Siyancuma Municipality Local Municipality met in the Council Chambers of Siyancuma Municipality to consider the annual budget of the municipality for the financial year 2017/18. The Council approved and adopted the following resolutions:

1. The Council of Siyancuma Municipality Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
 - 1.1. The annual budget of the municipality for the financial year 2017/18 and the multi-year and single-year capital appropriations as set out in the following tables:
 - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification);
 - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote);
 - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type); and
 - 1.1.4. Single-year capital appropriations by municipal vote and standard classification and associated funding by source.
 - 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
 - 1.2.1. Budgeted Financial Position as;
 - 1.2.2. Budgeted Cash Flows
 - 1.2.3. Cash backed reserves and accumulated surplus reconciliation
 - 1.2.4. Asset management; and
 - 1.2.5. Basic service delivery measurement
2. The Council of Siyancuma Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2017.
3. The Council of Siyancuma Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2017 the tariffs for other services.
4. To give proper effect to the municipality's annual budget, the Council of Siyancuma Municipality approves:
 - 4.1. That cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all capital reserves and provisions, unspent long-term loans and unspent conditional grants are cash backed as required in terms of the municipality's funding and reserves policy as prescribed by section 8 of the Municipal Budget and Reporting Regulations.
 - 4.2. That the Municipal Manager be authorised to sign all necessary agreements and documents to give effect to the above lending programme.

1.2 Executive Summary

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains

financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. All debtors who can afford to pay were handed over to Herman van Heerden Attorneys for collections. Furthermore, the Municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government. One of the initiatives was that customers are encouraged to pay whereby rebates are given to those who paid their arrear accounts in full. Special attention is given to customer enquiries regarding service delivery. A complaints register is implemented and complaints are dealt within 48 hours.

National Treasury's MFMA Circulars were used to guide the compilation of the 2017/18 MTREF.

The main challenges experienced during the compilation of the 2017/18 MTREF can be summarised as follows:

- The on-going difficulties in the national and local economy;
- Aging and poorly maintained water, roads and electricity infrastructure;
- The increased cost of bulk water and electricity (due to tariff increases from Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be a point where services will no-longer be affordable;
- The municipality prioritise bucket eradication, but although the backlogs were addressed in previous financial years, the challenge is the increase of housing development in the rural areas where bucket systems are temporarily installed;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
- Availability of funding for priority capital projects – Schmidtsdrift is a new area which form part of Siyancuma's service deliverables. Thus MIG funding will be utilised mainly for this project over the MTREF. Bulk purchases, new infrastructure development and maintenance expenses are expected to increase, whilst revenue will not cover costs due to the indigent numbers in this area.
 - Availability of affordable capital.

The following budget principles and guidelines directly informed the compilation of the 2017/18 MTREF:

- The 2017/18 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2017/18 annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water and electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs.
- Additional services must be delivered to Schmidtsdrift community and was factored into the capital and operating budget.

- MIG office earmarked R23,693 million towards water and waste water in the Siyancuma Municipal area over a 3 year period.
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2017/18 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2017/18 MTREF

DESCRIPTION	BUDGET YEAR 2017/18	BUDGET YEAR 2016/17	BUDGET YEAR 2017/18
Total operating revenue	129 950	139 756	156 316
Total operating expenditure	155 288	163 917	172 285
Surplus(deficit) for the year	44 505	16 635	18 364
Total capital expenditure	87 473	58 136	51 773

For the two outer years, operational revenue will increase by 3 and 4 per cent respectively, equating to a total revenue growth of R27 million over the MTREF when compared to the 2017/18 financial year.

Total operating expenditure for the 2017/18 financial year has been appropriated at R 155,288 million. Operational expenditure has increased by 10 per cent in the 2017/18 budget and increased by 3 and 10 per cent for each of the respective outer years of the MTREF. The operating deficit for 2017/18 decreased to R44,505 million.

MFMA Circular 55 states that there is no legal requirement that the operating budget must be balanced or be in surplus. However, the deficit in Siyancuma Municipality's operating budget is due to "non-cash items" to the total of R24 million; consisting of provision for debt Impairment amounting to R8 million, depreciation and asset impairment of R9 million and provision for the rehabilitation of land fill sites amounting to R6 million.

The current implementation of GRAP 17 caused an increase in depreciation and asset impairment that is not fully accommodated in the municipality's tariffs and as a result contributed to the deficit. Measures are put in place to collect outstanding debtors by handed it over for collection by Herman van Heerden Attorneys. The result already proofed to be effective and from 28 May 2012, a debt collection unit was established within the municipality.

The capital budget of R87,473 million for 2017/18, a substantial portion of the capital budget will be funded from grants over MTREF. Grants will also contribute the major portion of the funding for the capital expenditure in the two outer years. The remainder of the funds for the 2017/18 year will be funded from internally generated funds.

1.3 Operating Revenue Framework

For Siyancuma Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with maintenance backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
 - Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 75 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- The municipality's Indigent Policy and rendering of free basic services; and
 - Tariff policies of the Municipality.

Table 2 Summary of revenue classified by main revenue source

Description R thousand	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue By Source											
Property rates	2	-	-	-	-	-	-	-	10 802	11 489	12 222
Service charges - electricity revenue	2	-	-	-	-	-	-	-	38 198	41 725	46 171
Service charges - water revenue	2	-	-	-	-	-	-	-	18 032	19 487	22 523
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	3 655	3 986	8 923
Service charges - refuse revenue	2	-	-	-	-	-	-	-	3 179	3 360	3 690
Service charges - other									185	198	210
Rental of facilities and equipment									302	312	325
Interest earned - external investments									250	250	200
Interest earned - outstanding debtors									400	450	480
Dividends received											
Fines, penalties and forfeits									3 191	3 351	3 518
Licences and permits											
Agency services									80	85	90
Transfers and subsidies									45 569	48 695	51 453
Other revenue	2	-	-	-	-	-	-	-	6 107	6 370	6 511
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		-	-	-	-	-	-	-	129 950	139 756	156 316
Expenditure By Type											
Employee related costs	-										
Remuneration of councillors	2	-	-	-	-	-	-	-	45 353	47 616	49 735
Debt impairment	3								4 105	4 351	4 569
Depreciation & asset impairment	2	-	-	-	-	-	-	-	19 791	21 328	22 819
Finance charges									8 442	8 332	7 626
									1 756	1 784	1 813

Bulk purchases	2	-	-	-	-	-	-	-	39 273	42 409	45 802
Other materials	8										
Contracted services		-	-	-	-	-	-	-	1 689	1 750	1 800
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	-	-	-	-	-	-	-	34 880	36 346	38 121
Loss on disposal of PPE											
Total Expenditure		-	-	-	-	-	-	-	155 288	163 917	172 285
Surplus/(Deficit)		-	-	-	-	-	-	-	(25 338)	(24 161)	(15 969)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)									36 693	19 559	19 333
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)									33 150	21 237	15 000
Surplus/(Deficit) after capital transfers & contributions		-	-	-	-	-	-	-	44 505	16 635	18 364
Taxation											
Surplus/(Deficit) after taxation		-	-	-	-	-	-	-	44 505	16 635	18 364
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		-	-	-	-	-	-	-	44 505	16 635	18 364
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		-	-	-	-	-	-	-	44 505	16 635	18 364

Table 3 Percentage growth in revenue by main revenue source

	Current year 2014/15		2012/13 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK					
	Adjusted Budget	%	Budget Year 2015/16	2014/15 -2015/16 (Year on Year)	Budget Year +1 2016/17	2015/16-2016/17 (Year on Year)	Budget Year +2 2017/18	2016/17-2017/18 (Year on Year)
Revenue By Source								
Property rates	8973815		10494229	6,9	11250793	14,9	12038349	15,3
Property rates - penalties & collection charges	0		0	0,0	0	0,0	0	0,0
Service charges - electricity revenue	34801434		42090216	5,8	45036531,1	15,3	48189088,3	15,3
Service charges - water revenue	15479174		16108015,3	25,6	17235576,4	15,3	18442066,7	15,3
Service charges - sanitation revenue	6592086		6283851	-20,4	6723720,57	15,3	7194381,01	15,3
Service charges - refuse revenue	5682706		6172215	12,6	6604270,05	15,3	7066568,95	15,3
Service charges - other	0		0	0,0	0	0,0	0	0,0
Rental of facilities and equipment	362851		461298	4,7	492089,04	16,0	525894,583	15,6
Interest earned - external investments	0		620000	1,0	260000	-0,7	260000	0,0
Interest earned - outstanding debtors	1249000		629000	-1,0	400000	-1,7	430000	14,3
Dividends received	0		0	0,0	0	0,0	0	0,0
Fines	736758		6800070	1,1	7276000	15,3	7785320	15,3
Licences and permits	450000		450000	0,0	481500	15,3	515205	15,3
Agency services	758320		758320	0,0	811402,4	15,3	868200,568	15,3
Transfers recognised - operational	42342661		43928000	27,7	42270000	-25,5	41769000	-83,4
Other revenue	724199		437707	-1,5	460011,49	20,6	492762,294	15,0
Gains on disposal of PPE	0		0	0,0	0	0,0	0	0,0
Total Revenue (excluding capital transfers and contributions)	118153004		135232921	7,9	139301894	34,2	145576836	23,2

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the municipality. Rates and service charge revenues comprise more than 60 percent of the total revenue mix for the 2017/18 financial year. A notable trend is that percentage of rates and services charges in relation to total operating expenditure decrease yearly to 50% at the end of the MTREF period. The above table includes revenue foregone arising from discounts and rebates associated with property rates according the rates/tariff policies of the municipality (Rates = rates minus revenue foregone).

Electricity is the largest (25%); water second largest (11%) property rates third largest (8%) contributors to revenue.

Operating grants and transfers totals R 44,729 million in the 2017/18 financial year and steadily decreases to R51,731 million by 2019/20.

Table 4 Operating Transfers and Grant Receipts (SA18)

receipts

Description R thousand	Re f	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
RECEIPTS:	1, 2									
- <u>Operating Transfers and Grants</u>										
National Government:		-	-	-	-	-	-	44 729	48 855	51 731
Local Government Equitable Share								41 384	45 255	47 871
Finance Management								2 345	2 600	2 860
EPWP Incentive								1 000	1 000	1 000
Other transfers/grants [insert description]										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	840	840	722
Library								840	840	722
Total Operating Transfers and Grants	5	-	-	-	-	-	-	45 569	49 695	52 453
<u>Capital Transfers and Grants</u>										

National Government:		-	-	-	-	-	-	69 843	38 796	33 333
Municipal Infrastructure Grant (MIG)								23 693	17 559	18 333
Regional Bulk Infrastructure								5 150	21 237	15 000
Water Services Infrastructure Grant and INEP								41 000		
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
Library										
Total Capital Transfers and Grants	5	-	-	-	-	-	-	69 843	38 796	33 333
TOTAL RECEIPTS OF TRANSFERS & GRANTS		-	-	-	-	-	-	115 412	88 491	85 786

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must consider in their budget documentation the inflation forecasts as per MFMA Circular 75. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increase of Eskom's bulk tariffs are far beyond the mentioned inflation target. Given that this tariff increase is determined by NERSA, the impact on the municipality's electricity bill is largely outside the control of the municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the municipality's future financial position and viability.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the municipality has undertaken the tariff setting process relating to service charges as follows.

1.3.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0,25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA);
 - 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy;

- For pensioners, physically and mentally disabled persons, a maximum rebate of 50 per cent will be granted to owners of rate-able property if the total gross income of the applicant and/or his/her spouse, if any, does not to exceed the amount equal to twice the annual state pension as approved by the National Government for a financial year. In this regard the following stipulations are relevant:
 - The rate-able property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependants without income;
 - The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health, also proof of the annual income from a social pension;
 - The applicant's account must be paid in full, or if not, an arrangement to pay the debt should be in place; and
 - The property must be categorized as residential.
- The municipality may award a 100 per cent grant-in-aid on the assessment rates of rate-able properties of certain classes such as registered welfare organizations, institutions or organizations performing charitable work, sports grounds used for purposes of amateur sport. The owner of such a property must apply to the Chief Financial Officer in the prescribed format for such a grant.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2017/18 financial year based on a 6 per cent increase from 1 July 2015 is contained below:

Table 5 Comparison of proposed rates to levied for the 2017/18

Property Class	2017/2018	2016/2017	2017/2018 (Rebate)
Residential (RR01)	1,0441 c/R	0,985 c/R	0 %
Residential 2 (RR02)	1,0441 c/R	0,985 c/R	0 %
Residential 3 (RR03)	1,0441 c/R	0,985 c/R	0 %
Business (RB01)	0,6413 c/R	0,605 c/R	0 %
Agriculture (RA01)	0,053 c/R	0,05 c/R	10 %
Agriculture DMA (RA04)	0,05353 c/R	0,0505 c/R	10 %
Agri Campbell (RA02 RA04)	0,30846 c/R	0,291 c/R	10 %
Mines (RM01)	0 c/R	0 c/R	0 %
Multi – purpose (RMP1)	1,0812 c/R	1,02 c/R	0 %
School (RS01)	0,23 c/R	0,92 c/R	0 %
Creche	0,225784 c/R	1,1564 c/R	0 %
Public space (RPS1)	0,385 c/R	1,54 c/R	0 %
Sportground (RSG1)	0,3041 c/R	1,2164 c/R	0 %
Clinic (RCL1)	0 c/R	0 c/R	0 %
Museum (RMS1)	0,05 c/R	0,2 c/R	0 %
Infrastructure (RI01)	0,05 c/R	0,2 c/R	0 %
SAPS (RP01)	0 c/R	0 c/R	0 %
National Parks (RNP1)	0 c/R	0 c/R	0 %
State Owned (RS01)	1,3568 c/R	1,28 c/R	0 %
Vacant Municipal (RVM1)	0,212 c/R	0,2 c/R	0 %
Municipality (RMU1)	0,212 c/R	0,2 c/R	0 %
Place of Public Worship (RCH1)	0,2748 c/R	1,08 c/R	100 %
Building clause (RBC1) (If improvements is not made within two years after the purchase of a property a value of R 350 000 will be used)	0 c/R	0,009850	

1.3.2 Sale of Water and Impact on Tariff Increases

Siyancuma municipality carefully review the level and structure of water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
 - Water tariffs are designed to encourage efficient and sustainable consumption.

In addition National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective by 2014.

Better maintenance of infrastructure, new dam construction and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability. Water is supplied by Vaal Oranje Water Board, which did not increase its bulk tariffs significantly and enable the municipality to increase there tariffs with only 6% from 1 July 2015.

In addition 6 kℓ water per 30-day period will again be granted free of charge to Indigent Households.

A summary of the proposed tariffs for households (residential) and non-residential are as follows:

Table 6 Proposed Water Tariffs

Description	2017/2018	2016/2017
<i>Residential</i>	Rand per kℓ	Rand per kℓ
Monthly Basic Fee	R 60,95	R 57,50
Free for Indigents 0-6kl	R 0	R 0
Consumption 0 – 6kl	R 6,04	R 5,70
Consumption 7 – 25kl	R 7,21	R 6,80
Consumption 26 - 40kl	R 7,31	R 6,90

Description	2017/2018	2016/2017
Residential	Rand per kℓ	Rand per kℓ
Monthly Basic Fee	R 60,95	R 57,50
Consumption > 41 kl	R 7,53	R 7,10

Description	2017/2018	2016/2017
Business	Rand per kl	Rand per kl
Monthly Basic Fee	R 62,12	R 58,60
Consumption 0-6kl	R 6,15	R 5,80
Consumption 7 – 25kl	R 7,37	R 6,95
Consumption 26 – 40kl	R 7,53	R 7,10
Consumption >41 kl	R 7,95	R 7,50
Irrigation water (leiwat)	R 1060	R 1000.00
Irrigation channel (leivore)	R 243,8	R 230.00
Raw Water		
Monthly Basic Fee	R 127,2	R 120,00
Consumption 0-999999kl	R 1,87	1,76
Municipal Departmental	Rand per kℓ	Rand per kℓ

Description	2017/2018	2016/2017
Business	Rand per kl	Rand per kl
Monthly Basic Fee	R 62,12	R 58,60
Monthly Basic Fee	R 60,95	R 57,50
Consumption 0 – 6kl	R 6,04	R 5,70
Consumption 7 – 25kl	R 7,21	R 6,80
Consumption > 25kl	R 7,31	R 6,90

OTHER CHARGES

Description	2017/2018	2016/2017
Water Sales at Gallows	R 24.20 per kℓ	
Re-connection fee – Credit Control	R 79,5	R 75.00
Tampering of water meters		
Fines - 1 st offender	R 2650	R 2500.00
Fines - 2 nd offender	R 10600	R 10 000.00
Fines - 3 rd offender	R 21200	R 20 000.00
Special Readings	R 79,5	R 75.00
Testing of meters (if error is not on municipality supply)	R 318	R 300.00
Availability Charges		
Residential Erf	R 79,5	R 75.00
Water Connection Fees	Actual Cost plus 10%	Actual Cost plus 10%

The following table shows the impact of the proposed increases in water tariffs on the water charges for a single dwelling-house:

Table 7 Comparison between current water charges and increases (Domestic)

Monthly consumption kℓ	Current amount Payable 2016/17 R	Proposed amount Payable 2017/18 R	Difference (Increase) R	Percentage change
6	29,82	32,22	2,4	8%
50	285,9	308,98	23,08	8%

The tariff structure of the 2017/18 financial year has not been changed. The tariff structure is designed to charge higher levels of consumption a higher rate, steadily increasing to a rate of R5.03 per kilolitre for consumption in excess of 50kℓ per 30 day period.

1.3.3 Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure resulting in a 7 per cent increase in the Eskom bulk electricity tariff to municipalities from 1 July 2015.

Considering the Eskom increases, the electricity tariff of the municipality increased by 7 per cent to offset the additional bulk purchase cost from 1 July 2015. Furthermore, it should be noted that given the high tariff increase, the municipality is expecting a reduction in the growth of electricity consumption, which will have a negative impact on the municipality's revenue from electricity sales.

The difference between the bulk purchase increase and tariff increase of 2% will result in a loss in electricity revenue for the municipality.

Registered indigents will again be granted 50 kWh per 30-day period free of charge.

The following table shows the impact of the proposed increases in electricity tariffs for domestic customers:

Table 8 Comparison between current electricity charges and increases (Domestic)

DOMESTIC TARIFFS				COMMERCIAL
DOMESTIC BLOCK 1 0-50kWh	DOMESTIC BLOCK 2 51-350kWh	DOMESTIC BLOCK 3 351-600kWh	DOMESTIC BLOCK 4 > 600kWh	Conventional
(R/kWh)	(R/kWh)	(R/kWh)	(R/kWh)	(R/kWh)
0,8635	0,9484	1,4137	1,6606	1,2772

It should further be noted that NERSA had advised that a stepped tariff structure needs to be implemented from 1 July 2012. The effect thereof will be that the higher the consumption, the higher the cost per kWh. The aim is to subsidise the lower consumption users (mostly the poor).

1.3.4 Sanitation and Impact of Tariff Increases

A tariff increase of 6 per cent for sanitation from 1 July 2017 is proposed. This is based on the input cost assumptions related to water. It should be noted that electricity costs contributes approximately 20 per cent of waste water treatment input costs, therefore the higher than CPI increase of 6 per cent for sanitation tariffs. The following factors also contribute to the proposed tariff increase:

- Sanitation charges are calculated according to the percentage water discharged as indicated in the table below;
 - Free sanitation will be applicable to registered indigents only,; and
- The total revenue expected to be generated from rendering sanitation service amounts to R3,655 million for the 2017/18 financial year.

The following table compares the current and proposed tariffs:

Table 9 Comparison between current sanitation charges and increases

Description	2017/2018	2016/2017
Monthly Charges	R	R
Indigent (100% Subsidy)	R 121,9	R 115,00
Domestic	R 121,9	R 115,00
Extra	R 58,3	R 55,00
Business	R 259,7	R 245,00
Extra	R 127,2	R 120,00
Municipal	R 249,1	R 235,00
Extra	R 127,2	R 120,00
Government	R 1049,4	R 990,00
Extra	R 132,5	R 125,00
Availability Empty Stands	R 121,9	R 115,00
Buckets	R 79,5	R 75,00
Extra	R 74,2	R 70,00
Vacuim	R 127,2	R 120,00
Vacuim Business	R 259,7	R 245,00

The following table shows the impact of the proposed increases in sanitation tariffs on the sanitation charges for a single dwelling-house:

1.3.5 Waste Removal and Impact of Tariff Increases

The main contributors to this deficit are repairs and maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration.

An 6 per cent increase in the waste removal tariff is proposed from 1 July 2015. Higher increases will not be viable in 2013/14 owing to the significant increases implemented in previous financial years as well as the overall impact of higher than inflation increases of other services. Any increase higher than 6 per cent would be counter-productive and will result in affordability challenges for individual rates payers raising the risk associated with bad debt.

The following table compares current and proposed amounts payable from 1 July 2015:

Table 10 Comparison between current waste removal fees and increases

Description	2017/2018	2016/2017
Monthly Charges	R	R
Indigent 100% subsidy	R 93,28	R 88,00
Domestic	R 93,28	R 88,00
Extra	R 44,52	R 42,00
Businesses (2 Container)	R 201,4	R 190,00
Extra	R 95,4	R 90,00
Municipal (2 Container)	R 196,1	R 185,00
Extra	R 95,4	R 90,00
Garden Refuse & Building Rubble	R 250.00 per load or part thereof	R 200.00 per load or part thereof

1.3.6 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Note that in all instances the overall impact of the tariff increases on household's bills has been kept between 6 and 10 per cent, with the same increase for indigent households as all services are subsidized. Indigent users are sometimes responsible for overuse of electricity and water.

Table 11 Household Bill

NC078 Siyancuma - Supporting Table SA14 Household bills

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16 % incr.	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		808,00	872,64	959,90	1 017,49	1 017,49	1 017,49	8,0%	1 078,54	1 143,25	1 211,85
Electricity: Basic levy		104,21	115,70	123,80	132,95	132,95	132,95	7,4%	142,79	153,34	164,69
Electricity: Consumption		851,21	978,89	1 106,61	1 177,32	1 177,32	1 177,32	7,4%	1 264,44	1 358,01	1 458,50
Water: Basic levy		39,51	42,67	46,94	49,75	49,75	49,75	8,0%	52,74	55,90	59,25
Water: Consumption		313,03	344,33	378,76	401,49	401,49	401,49	8,0%	425,58	451,11	478,18
Sanitation		75,43	81,46	87,98	93,26	93,26	93,26	8,0%	98,86	104,79	111,08
Refuse removal		60,06	64,85	70,05	74,25	74,25	74,25	8,0%	78,71	83,43	88,44
Other											
sub-total		2 251,45	2 500,54	2 774,04	2 946,51	2 946,51	2 946,51	6,6%	3 141,66	3 349,83	3 571,98
VAT on Services		120,00	192,24	212,21	225,19	225,19	225,19		238,96	253,57	500,08
Total large household bill:		2 371,45	2 692,78	2 986,25	3 171,70	3 171,70	3 171,70	6,6%	3 380,62	3 603,40	4 072,06
% increase/-decrease			13,5%	10,9%	6,2%	-	-		6,6%	6,6%	13,0%
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		398,00	433,82	477,20	505,83	505,83	505,83	6,0%	536,18	568,35	602,45
Electricity: Basic levy		104,21	115,70	123,80	132,95	132,95	132,95	7,4%	142,79	153,34	164,69
Electricity: Consumption		351,00	389,61	440,26	466,68	466,68	466,68	7,4%	494,68	524,36	563,16
Water: Basic levy		39,51	42,67	46,94	49,75	49,75	49,75	8,0%	52,74	55,90	59,25
Water: Consumption		226,92	245,07	269,58	285,78	285,78	285,78	8,0%	302,90	321,07	340,33
Sanitation		75,43	81,45	87,98	93,26	93,26	93,26	8,0%	98,86	104,79	111,08
Refuse removal		60,06	64,85	70,05	74,25	74,25	74,25	8,0%	78,71	83,43	88,44
Other		-	-	-	-	-	-		-	-	-
sub-total		1 255,13	1 373,17	1 515,81	1 608,50	1 608,50	1 608,50	6,1%	1 706,86	1 811,24	1 929,40
VAT on Services											
Total small household bill:		1 255,13	1 373,17	1 515,81	1 608,50	1 608,50	1 608,50	6,1%	1 706,86	1 811,24	1 929,40
% increase/-decrease			9,4%	10,4%	6,1%	-	-		6,1%	6,1%	6,5%
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		142,00	154,78	170,26	180,48	180,48	180,48	8,0%	191,31	202,79	214,96
Electricity: Basic levy		104,21	115,70	123,80	132,95	132,95	132,95	7,4%	142,79	153,34	164,69
Electricity: Consumption		311,50	336,42	380,15	408,24	408,24	408,24	7,4%	438,45	470,90	505,75
Water: Basic levy		39,51	42,67	46,94	49,75	49,75	49,75	8,0%	52,74	55,90	59,25
Water: Consumption		64,68	69,87	76,86	81,37	81,37	81,37	8,0%	86,25	91,43	96,92
Sanitation		50,28	54,30	58,64	62,16	62,16	62,16	8,0%	65,89	69,84	74,03
Refuse removal		60,06	64,85	70,05	74,25	74,25	74,25	8,0%	78,71	83,43	88,44
Other											
sub-total		772,24	838,59	926,70	989,20	989,20	989,20	6,8%	1 056,14	1 127,63	1 204,03
VAT on Services		72,66	117,40	129,74	138,49	138,49	138,49	#NAME?	147,86	157,87	168,56
Total small household bill:		844,90	955,99	1 056,44	1 127,69	1 127,69	1 127,69	6,8%	1 204,00	1 285,50	1 372,59
% increase/-decrease			13,1%	10,5%	6,7%	-	-		6,8%	6,8%	6,8%

1.4 Operating Expenditure Framework

The Municipality's expenditure framework for the 2017/18 budget and MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
 - Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
 - Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plan no budget*. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2017/18 budget and MTREF (classified per main type of operating expenditure):
 NC078 Siyancuma - Table A4 Budgeted Financial Performance
 (revenue and expenditure)

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue By Source											
Property rates	2	-	-	-	-	-	-	-	10 802	11 489	12 222
Service charges - electricity revenue	2	-	-	-	-	-	-	-	38 198	41 725	46 171
Service charges - water revenue	2	-	-	-	-	-	-	-	18 032	19 487	22 523
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	3 655	3 986	8 923
Service charges - refuse revenue	2	-	-	-	-	-	-	-	3 179	3 360	3 690
Service charges - other									185	198	210
Rental of facilities and equipment									302	312	325
Interest earned - external investments									250	250	200
Interest earned - outstanding debtors									400	450	480
Dividends received											
Fines, penalties and forfeits									3 191	3 351	3 518
Licences and permits											
Agency services									80	85	90
Transfers and subsidies									45 569	48 695	51 453
Other revenue	2	-	-	-	-	-	-	-	6 107	6 370	6 511

Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		-	-	-	-	-	-	-	129 950	139 756	156 316
Expenditure By Type	-										
Employee related costs	2	-	-	-	-	-	-	-	45 353	47 616	49 735
Remuneration of councillors									4 105	4 351	4 569
Debt impairment	3								19 791	21 328	22 819
Depreciation & asset impairment	2	-	-	-	-	-	-	-	8 442	8 332	7 626
Finance charges									1 756	1 784	1 813
Bulk purchases	2	-	-	-	-	-	-	-	39 273	42 409	45 802
Other materials	8										
Contracted services		-	-	-	-	-	-	-	1 689	1 750	1 800
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	-	-	-	-	-	-	-	34 880	36 346	38 121
Loss on disposal of PPE											
Total Expenditure		-	-	-	-	-	-	-	155 288	163 917	172 285
Surplus/(Deficit)		-	-	-	-	-	-	-	(25 338)	(24 161)	(15 969)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)									36 693	19 559	19 333
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)									33 150	21 237	15 000
Surplus/(Deficit) after capital transfers & contributions		-	-	-	-	-	-	-	44 505	16 635	18 364
Taxation											
Surplus/(Deficit) after taxation		-	-	-	-	-	-	-	44 505	16 635	18 364
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		-	-	-	-	-	-	-	44 505	16 635	18 364
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		-	-	-	-	-	-	-	44 505	16 635	18 364

The budgeted allocation for employee related costs for the 2017/18 financial year totals R 45,353 million, which equals 29 per cent of the total operating expenditure. Based on the three year collective SALGBC agreement, salary increases have been factored into this budget at a percentage increase of 7 per cent for the 2017/18 financial year. An annual increase of 6 per cent has been included in the two outer years of the MTREF. Critical posts are prioritized to be filled in 2017/18 and included in the budget.

It should be noted that the total financial implication could not be determined as the applicable municipal wage curve (representing equal pay for equal work at all municipalities in South Africa) has not been finalised.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation, Government Gazette 38608 dated 25 Marh 2015 in this regard has been taken into account in compiling the municipality's budget.

The provision of debt impairment was determined based on an annual collection rate and the subsidy of the Indigents. For the 2017/18 financial year this amount equates to R 19,791 million and escalates to R 22,819 million by 2019/20. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R 8,442 million for the 2017/18 financial year. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 0.5 per cent (R1 756 thousand) of operating expenditure for 2017/18 and increases to R 1 813 thousand by 2019/20.

Bulk purchases are directly informed by the purchase of electricity from Eskom and water from Vaal Oranje Water Board. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.

After evaluation, several operational inefficiencies were discovered with the existing equipment. In the 2017/18 financial year Contracted Services totals R 1,689 million. For the two outer years growth has been limited to just 5 and 7 per cent.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved.

1.4.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2017/18 budget and MTREF provide for growth in the area of asset maintenance of 3 per cent. Repairs and Maintenance expenditure is based on historical information. The reason being that the Technical Department provide no inputs and no asset renewal strategy or repairs and maintenance plans exist. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

Figure 1 Main Operating Expeniture Catogary

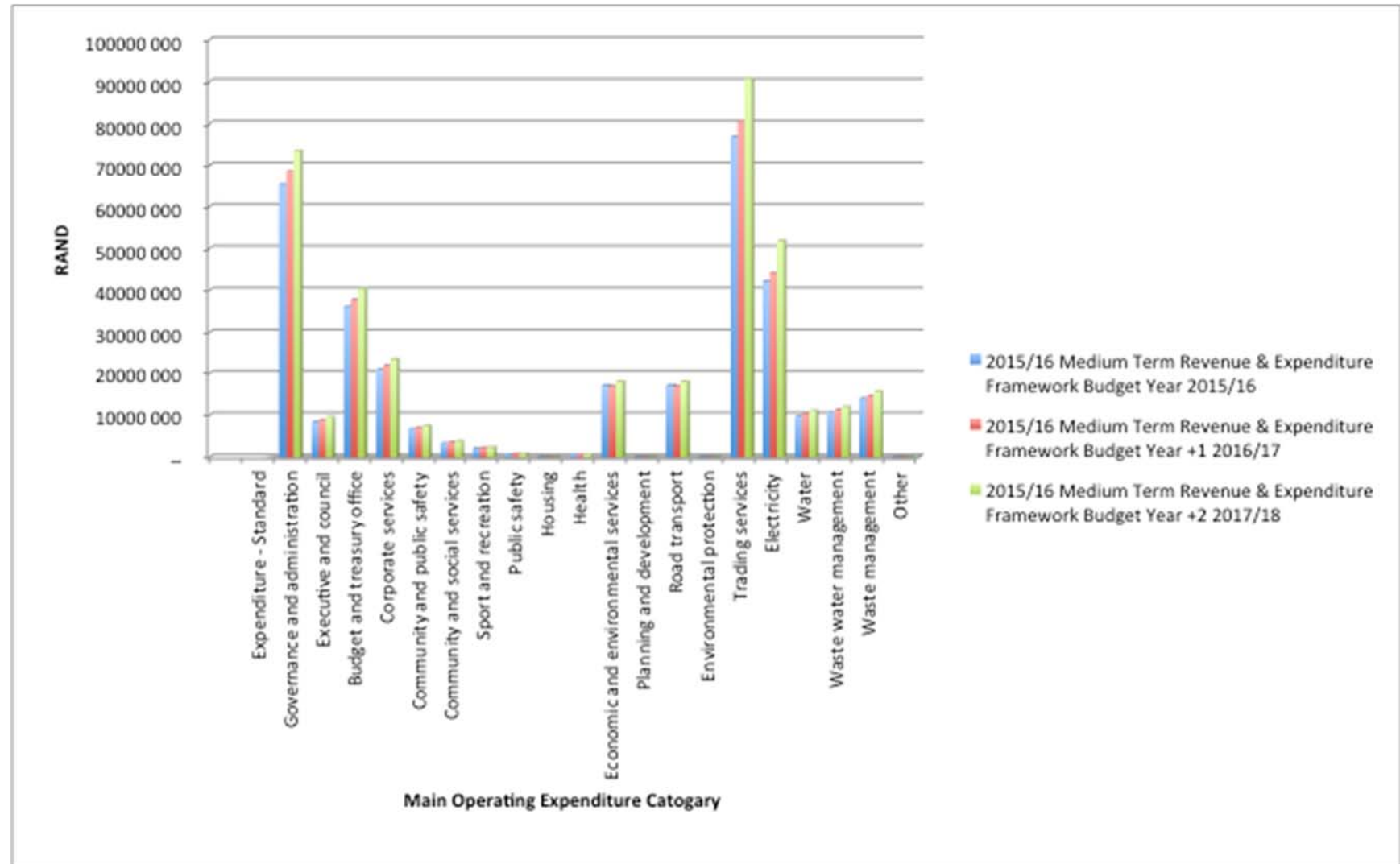


Table 12 Operational repairs and maintenance

The total allocation for 2017/18 equates to R 12 081 million. These increases are towards maintaining roads, water and electricity as prioritised in the IDP.

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

NC078 Siyancuma - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description R thousand	Ref 1	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<u>Repairs and maintenance expenditure by Asset Class/Sub-class</u>										
-										
<u>Infrastructure</u>		-	-	-	-	-	-	12 081	12 822	12 954
Roads Infrastructure		-	-	-	-	-	-	12 081	12 822	12 954
Roads								12 081	12 822	12 954
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission										
Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										

<i>Capital Spares</i>									
Water Supply Infrastructure	-	-	-	-	-	-	-	-	-
<i>Dams and Weirs</i>									
<i>Boreholes</i>									
<i>Reservoirs</i>									
<i>Pump Stations</i>									
<i>Water Treatment Works</i>									
<i>Bulk Mains</i>									
<i>Distribution</i>									
<i>Distribution Points</i>									
<i>PRV Stations</i>									
<i>Capital Spares</i>									
Sanitation Infrastructure	-	-	-	-	-	-	-	-	-
<i>Pump Station</i>									
<i>Reticulation</i>									
<i>Waste Water Treatment Works</i>									
<i>Outfall Sewers</i>									
<i>Toilet Facilities</i>									
<i>Capital Spares</i>									
Solid Waste Infrastructure	-	-	-	-	-	-	-	-	-
<i>Landfill Sites</i>									
<i>Waste Transfer Stations</i>									
<i>Waste Processing Facilities</i>									
<i>Waste Drop-off Points</i>									
<i>Waste Separation Facilities</i>									
<i>Electricity Generation Facilities</i>									
<i>Capital Spares</i>									
Rail Infrastructure	-	-	-	-	-	-	-	-	-
<i>Rail Lines</i>									
<i>Rail Structures</i>									
<i>Rail Furniture</i>									
<i>Drainage Collection</i>									
<i>Storm water Conveyance</i>									
<i>Attenuation</i>									

<i>MV Substations</i>									
<i>LV Networks</i>									
<i>Capital Spares</i>									
Coastal Infrastructure	-	-	-	-	-	-	-	-	-
<i>Sand Pumps</i>									
<i>Piers</i>									
<i>Revetments</i>									
<i>Promenades</i>									
<i>Capital Spares</i>									
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-
<i>Data Centres</i>									
<i>Core Layers</i>									
<i>Distribution Layers</i>									
<i>Capital Spares</i>									
Community Assets	-	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-
<i>Halls</i>									
<i>Centres</i>									
<i>Crèches</i>									
<i>Clinics/Care Centres</i>									
<i>Fire/Ambulance Stations</i>									
<i>Testing Stations</i>									
<i>Museums</i>									
<i>Galleries</i>									
<i>Theatres</i>									
<i>Libraries</i>									
<i>Cemeteries/Crematoria</i>									
<i>Police</i>									
<i>Parks</i>									
<i>Public Open Space</i>									
<i>Nature Reserves</i>									
<i>Public Ablution Facilities</i>									
<i>Markets</i>									
<i>Stalls</i>									

<i>Abattoirs</i>									
<i>Airports</i>									
<i>Taxi Ranks/Bus Terminals</i>									
<i>Capital Spares</i>									
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
<i>Indoor Facilities</i>									
<i>Outdoor Facilities</i>									
<i>Capital Spares</i>	1	1	1	1	1	1	1	1	1
<u>Heritage assets</u>	-	-	-	-	-	-	-	-	-
<i>Monuments</i>									
<i>Historic Buildings</i>									
<i>Works of Art</i>									
<i>Conservation Areas</i>									
<i>Other Heritage</i>									
<u>Investment properties</u>	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
<i>Improved Property</i>									
<i>Unimproved Property</i>									
Non-revenue Generating	-	-	-	-	-	-	-	-	-
<i>Improved Property</i>									
<i>Unimproved Property</i>									
<u>Other assets</u>	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-	-
<i>Municipal Offices</i>									
<i>Pay/Enquiry Points</i>									
<i>Building Plan Offices</i>									
<i>Workshops</i>									
<i>Yards</i>									
<i>Stores</i>									
<i>Laboratories</i>									
<i>Training Centres</i>									
<i>Manufacturing Plant</i>									
<i>Depots</i>									

<i>Capital Spares</i>										
Housing	-	-	-	-	-	-	-	-	-	-
Staff Housing										
Social Housing										
Capital Spares										
<u>Biological or Cultivated Assets</u>	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets										
<u>Intangible Assets</u>	-	-	-	-	-	-	-	-	-	-
Servitudes										
Licences and Rights	-	-	-	-	-	-	-	-	-	-
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications										
Load Settlement Software Applications										
Unspecified										
<u>Computer Equipment</u>	-	-	-	-	-	-	-	-	-	-
Computer Equipment										
<u>Furniture and Office Equipment</u>	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment										
<u>Machinery and Equipment</u>	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment										
<u>Transport Assets</u>	-	-	-	-	-	-	-	-	-	-
Transport Assets										
<u>Libraries</u>	-	-	-	-	-	-	-	-	-	-
Libraries										
<u>Zoo's, Marine and Non-biological Animals</u>	-	-	-	-	-	-	-	-	-	-

Zoo's, Marine and Non-biological Animals										
Total Repairs and Maintenance Expenditure	1	-	-	-	-	-	-	12 081	12 822	12 954

For the 2018 financial year, 70 %of total repairs and maintenance will be spent on infrastructure assets.

1.4.2 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the municipality's Indigent Policy. The target is to register 4000 more indigent households during the 2017/18 financial year, a process reviewed annually. The increase in Indigents will be Smitsdrift and farmers area in Niekerkshoop up to Grobblersshoop. A sensible total for Indigents are budgeted over the MTREF until the Indigent Register is updated at mid-year. The revenue will be adjusted if necessary in January 2018. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement).

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

1.5 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

NC078 Siyancuma - Table A5 Budgeted Capital Expenditure by vote,
functional classification and funding

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<u>Capital expenditure - Vote</u>											
<u>Multi-year expenditure to be appropriated</u>	2										
Vote 1 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-
Vote 2 - COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE AND HUMAN RESOURCES		-	-	-	-	-	-	-	-	-	-
Vote 4 - FINANCE		-	-	-	-	-	-	-	-	-	-
Vote 5 - PROPERTIES		-	-	-	-	-	-	-	-	-	-
Vote 6 - LIBRARIES		-	-	-	-	-	-	-	-	-	-
Vote 7 - CEMETARY		-	-	-	-	-	-	-	-	-	-
Vote 8 - PARKS AND RECREATION		-	-	-	-	-	-	-	-	-	-
Vote 9 - DISASTER MANAGEMENT		-	-	-	-	-	-	-	-	-	-
Vote 10 - WASTE MANAGEMENT		-	-	-	-	-	-	-	-	-	-
Vote 11 - PUBLIC WORKS		-	-	-	-	-	-	-	-	-	-
Vote 12 - ELECTRICITY		-	-	-	-	-	-	-	-	-	-
Vote 13 - WATER		-	-	-	-	-	-	-	-	-	-
Vote 14 - WASTE WATER MANAGEMENT		-	-	-	-	-	-	-	-	-	-
Vote 15 - TRAFFIC		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
<u>Single-year expenditure to be appropriated</u>	2										
Vote 1 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-
Vote 2 - COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE AND HUMAN RESOURCES		-	-	-	-	-	-	-	-	-	-
Vote 4 - FINANCE		-	-	-	-	-	-	-	-	-	-
Vote 5 - PROPERTIES		-	-	-	-	-	-	-	-	-	-

Vote 6 - LIBRARIES	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - CEMETARY	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - PARKS AND RECREATION	-	-	-	-	-	-	-	-	6 867	-	-
Vote 9 - DISASTER MANAGEMENT	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - WASTE MANAGEMENT	-	-	-	-	-	-	-	-	-	1 507	18 333
Vote 11 - PUBLIC WORKS	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - ELECTRICITY	-	-	-	-	-	-	-	-	26 101	11 693	9 640
Vote 13 - WATER	-	-	-	-	-	-	-	-	28 300	29 937	23 800
Vote 14 - WASTE WATER MANAGEMENT	-	-	-	-	-	-	-	-	25 855	14 999	-
Vote 15 - TRAFFIC	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	-	-	-	-	-	-	-	-	87 123	58 136	51 773
Total Capital Expenditure - Vote	-	-	-	-	-	-	-	-	87 123	58 136	51 773
Capital Expenditure - Functional											
<i>Governance and administration</i>	-	-	-	-	-	-	-	-	350	350	350
Executive and council									150	150	150
Finance and administration									200	200	200
Internal audit											
<i>Community and public safety</i>	-	-	-	-	-	-	-	-	6 867	-	-
Community and social services											
Sport and recreation									6 867		
Public safety											
Housing											
Health											
<i>Economic and environmental services</i>	-	-	-	-	-	-	-	-	-	-	-
Planning and development											
Road transport											
Environmental protection											
<i>Trading services</i>	-	-	-	-	-	-	-	-	80 256	58 136	51 773
Energy sources									26 101	11 693	9 640
Water management									28 300	29 937	23 800

Waste water management									25 855	14 999	–
Waste management										1 507	18 333
<i>Other</i>											
Total Capital Expenditure - Functional	3	–	–	–	–	–	–	–	87 473	58 486	52 123
<u>Funded by:</u>											
National Government									69 843	40 796	34 333
Provincial Government											
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	–	–	–	–	–	–	–	69 843	40 796	34 333
Public contributions & donations	5										
Borrowing	6										
Internally generated funds									17 630	17 340	17 440
Total Capital Funding	7	–	–	–	–	–	–	–	87 473	58 136	51 773

For 2017/18 an amount of R 87,123 million has been appropriated for the development of infrastructure. In the outer years this amount totals to R 58 million and R 51 million respectively.

1.5.1 Future operational cost of new infrastructure

The future operational costs and revenues associated with the capital programme have NOT been included in Table 61 MBRR SA35. The Technical Manager's contract was not renewed who would have been able to assist with this section.

1.6 Annual Budget Tables - Parent Municipality

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2017/18 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table 13 MBRR Table A1 - Budget Summary

Description R thousands	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Financial Performance										
Property rates	-	-	-	-	-	-	-	10 802	11 489	12 222
Service charges	-	-	-	-	-	-	-	63 249	68 755	81 517
Investment revenue	-	-	-	-	-	-	-	250	250	200
Transfers recognised - operational	-	-	-	-	-	-	-	45 569	48 695	51 453
Other own revenue	-	-	-	-	-	-	-	10 080	10 568	10 924
Total Revenue (excluding capital transfers and contributions)	-	-	-	-	-	-	-	129 950	139 756	156 316
Employee costs	-	-	-	-	-	-	-	45 353	47 616	49 735
Remuneration of councillors	-	-	-	-	-	-	-	4 105	4 351	4 569
Depreciation & asset impairment	-	-	-	-	-	-	-	8 442	8 332	7 626
Finance charges	-	-	-	-	-	-	-	1 756	1 784	1 813
Materials and bulk purchases	-	-	-	-	-	-	-	39 273	42 409	45 802
Transfers and grants	-	-	-	-	-	-	-	-	-	-
Other expenditure	-	-	-	-	-	-	-	56 360	59 424	62 740
Total Expenditure	-	-	-	-	-	-	-	155 288	163 917	172 285
Surplus/(Deficit)	-	-	-	-	-	-	-	(25 338)	(24 161)	(15 969)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	-	-	-	-	-	-	36 693	19 559	19 333
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	33 150	21 237	15 000
Surplus/(Deficit) after capital transfers & contributions	-	-	-	-	-	-	-	44 505	16 635	18 364
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	-	-	-	-	-	-	-	44 505	16 635	18 364
Capital expenditure & funds sources										
Capital expenditure	-	-	-	-	-	-	-	87 473	58 486	52 123
Transfers recognised - capital	-	-	-	-	-	-	-	69 843	40 796	34 333
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	17 630	17 340	17 440
Total sources of capital funds	-	-	-	-	-	-	-	87 473	58 136	51 773

<u>Financial position</u>										
Total current assets	-	-	-	-	-	-	-	25 373	15 282	22 099
Total non current assets	-	-	-	-	-	-	-	423 149	465 912	502 333
Total current liabilities	-	-	-	-	-	-	-	127 818	188 002	228 297
Total non current liabilities	-	-	-	-	-	-	-	40 284	40 128	41 275
Community wealth/Equity	-	-	-	-	-	-	-	280 419	253 065	254 860
<u>Cash flows</u>										
Net cash from (used) operating	-	-	-	-	-	-	-	61 215	33 990	34 599
Net cash from (used) investing	-	-	-	-	-	-	-	(69 843)	(40 796)	(34 333)
Net cash from (used) financing	-	-	-	-	-	-	-	(18 803)	(18 863)	(18 963)
Cash/cash equivalents at the year end	-	-	-	-	-	-	-	(27 432)	(53 101)	(71 798)
<u>Cash backing/surplus reconciliation</u>										
Cash and investments available	-	-	-	-	-	-	-	156	(42 191)	(42 191)
Application of cash and investments	-	-	-	-	-	-	-	93 656	119 675	153 533
Balance - surplus (shortfall)	-	-	-	-	-	-	-	(93 500)	(161 866)	(195 724)
<u>Asset management</u>										
Asset register summary (WDV)	-	-	-	-	-	-	329 009	329 009	332 550	336 198
Depreciation	-	-	-	-	-	-	8 442	8 442	8 332	7 626
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	-	-	-	-	-	-	12 081	12 081	12 822	12 954
<u>Free services</u>										
Cost of Free Basic Services provided	-	-	-	-	-	-	10 988	10 988	11 727	4 300
Revenue cost of free services provided	-	-	-	-	-	-	2 300	2 300	2 400	2 500
<u>Households below minimum service level</u>										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is negative over the MTREF
 - b. Capital expenditure is funded by conditional grants , of which
 - Transfers recognised is reflected on the Financial Performance Budget;
 - Internally generated funds are financed from the current operating revenue. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. This place the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted. The municipality has not yet compiled a Funding and Reserves Policy. The National Treasury MFIP Advisor is currently in the process of drafting the Policy at no expense and will be finalised in the new financial year.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

Table 14 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Functional Classification Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue - Functional										
<i>Governance and administration</i>		-	-	-	-	-	-	56 011	60 923	64 317
Executive and council		-	-	-	-	-	-	2 734	2 870	3 008
Finance and administration		-	-	-	-	-	-	53 277	58 053	61 309
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	943	948	838
Community and social services		-	-	-	-	-	-	880	885	772
Sport and recreation		-	-	-	-	-	-	63	63	66
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	-	-	-	4 195	3 355	3 523
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	4 195	3 355	3 523
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	68 800	74 529	87 637
Energy sources		-	-	-	-	-	-	43 719	47 469	52 260
Water management		-	-	-	-	-	-	18 242	19 710	22 758
Waste water management		-	-	-	-	-	-	3 660	3 991	8 929
Waste management		-	-	-	-	-	-	3 179	3 360	3 690
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	-	-	-	-	-	-	129 949	139 755	156 315
Expenditure - Functional	-									
<i>Governance and administration</i>		-	-	-	-	-	-	47 702	50 443	52 659
Executive and council		-	-	-	-	-	-	7 623	8 063	8 458
Finance and administration		-	-	-	-	-	-	40 079	42 379	44 200
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	5 016	5 437	5 611
Community and social services		-	-	-	-	-	-	3 123	3 468	3 543
Sport and recreation		-	-	-	-	-	-	1 295	1 350	1 428
Public safety		-	-	-	-	-	-	598	618	641
Housing		-	-	-	-	-	-	-	-	-

Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	-	-	-	13 983	13 548	13 689
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	13 983	13 548	13 689
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	88 587	94 489	100 326
Energy sources		-	-	-	-	-	-	50 614	54 423	58 365
Water management		-	-	-	-	-	-	18 263	19 309	20 161
Waste water management		-	-	-	-	-	-	12 898	13 539	14 189
Waste management		-	-	-	-	-	-	6 813	7 218	7 611
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	-	-	-	-	-	-	155 288	163 917	172 285
Surplus/(Deficit) for the year		-	-	-	-	-	-	(25 339)	(24 162)	(15 970)

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

- Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government'

Table 15 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description R thousand	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue by Vote	1									
Vote 1 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 2 - COUNCIL		-	-	-	-	-	-	2 734	2 870	3 008
Vote 3 - CORPORATE AND HUMAN RESOURCES		-	-	-	-	-	-	230	250	22
Vote 4 - FINANCE		-	-	-	-	-	-	52 838	57 587	61 062
Vote 5 - PROPERTIES		-	-	-	-	-	-	209	217	225
Vote 6 - LIBRARIES		-	-	-	-	-	-	840	840	722
Vote 7 - CEMETARY		-	-	-	-	-	-	40	45	50
Vote 8 - PARKS AND RECREATION		-	-	-	-	-	-	63	63	66
Vote 9 - DISASTER MANAGEMENT		-	-	-	-	-	-	-	-	-
Vote 10 - WASTE MANAGEMENT		-	-	-	-	-	-	3 179	3 360	3 690
Vote 11 - PUBLIC WORKS		-	-	-	-	-	-	1 000	-	-
Vote 12 - ELECTRICITY		-	-	-	-	-	-	43 719	47 469	52 260
Vote 13 - WATER		-	-	-	-	-	-	18 242	19 710	22 758
Vote 14 - WASTE WATER MANAGEMENT		-	-	-	-	-	-	3 660	3 991	8 929
Vote 15 - TRAFFIC		-	-	-	-	-	-	3 195	3 355	3 523
Total Revenue by Vote	2	-	-	-	-	-	-	129 949	139 755	156 315
Expenditure by Vote to be appropriated	1									
Vote 1 - MUNICIPAL MANAGER		-	-	-	-	-	-	1 962	2 052	2 138
Vote 2 - COUNCIL		-	-	-	-	-	-	5 661	6 011	6 320
Vote 3 - CORPORATE AND HUMAN RESOURCES		-	-	-	-	-	-	17 374	18 195	18 757
Vote 4 - FINANCE		-	-	-	-	-	-	19 940	21 181	22 195
Vote 5 - PROPERTIES		-	-	-	-	-	-	2 765	3 003	3 248
Vote 6 - LIBRARIES		-	-	-	-	-	-	2 545	2 862	2 908
Vote 7 - CEMETARY		-	-	-	-	-	-	578	606	635
Vote 8 - PARKS AND RECREATION		-	-	-	-	-	-	1 295	1 350	1 428
Vote 9 - DISASTER MANAGEMENT		-	-	-	-	-	-	598	618	641
Vote 10 - WASTE MANAGEMENT		-	-	-	-	-	-	6 813	7 218	7 611
Vote 11 - PUBLIC WORKS		-	-	-	-	-	-	10 853	10 257	10 245
Vote 12 - ELECTRICITY		-	-	-	-	-	-	50 614	54 423	58 365
Vote 13 - WATER		-	-	-	-	-	-	18 263	19 309	20 161
Vote 14 - WASTE WATER MANAGEMENT		-	-	-	-	-	-	12 898	13 539	14 189

Vote 15 - TRAFFIC		-	-	-	-	-	-	3 130	3 291	3 444
Total Expenditure by Vote	2	-	-	-	-	-	-	155 288	163 917	172 285
Surplus/(Deficit) for the year	2	-	-	-	-	-	-	(25 339)	(24 162)	(15 970)

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

- Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality.

The following table is an analysis of the surplus or deficit for the electricity and water trading services.

Table 16 Surplus/(Deficit) calculations for the trading services

Functional Classification Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1									
<u>Revenue - Functional</u>										
Trading services		-	-	-	-	-	-	68 800	74 529	87 637
Energy sources		-	-	-	-	-	-	43 719	47 469	52 260
Electricity								43 719	47 469	52 260
Street Lighting and Signal Systems										
Nonelectric Energy										
Water management		-	-	-	-	-	-	18 242	19 710	22 758
Water Treatment								18 242	19 710	22 758
Water Distribution										
Water Storage										
Total Revenue - Functional	2	-	-	-	-	-	-	68 800	74 529	87 637
<u>Expenditure - Functional</u>										
Trading services	-	-	-	-	-	-	-	88 587	94 489	100 326
Energy sources	-	-	-	-	-	-	-	50 614	54 423	58 365
Electricity	-							50 614	54 423	58 365
Street Lighting and Signal Systems	-									
Nonelectric Energy	-									
Water management	-	-	-	-	-	-	-	18 263	19 309	20 161

Water Treatment	-							18 263	19 309	20 161
Water Distribution	-									
Water Storage	-									
Total Expenditure - Functional	3	-	-	-	-	-	-	88 587	94 489	100 326
Surplus/(Deficit) for the year		-	-	-	-	-	-	(19 787)	(19 960)	(12 689)

1. This is primarily as a result of the high increases in Eskom bulk purchases and the tariff setting policy of the municipality to buffer the impact of these increases to consumers.
2. The surplus on the water account remains relatively constant over the MTREF translating into a surplus of 93.6 per cent, 93.8 per cent and 93.8 per cent for each of the respective.

Table 17 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

Description	Re f	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1										
<u>Revenue By Source</u>											
Property rates	2	-	-	-	-	-	-	-	10 802	11 489	12 222
Service charges - electricity revenue	2	-	-	-	-	-	-	-	38 198	41 725	46 171
Service charges - water revenue	2	-	-	-	-	-	-	-	18 032	19 487	22 523
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	3 655	3 986	8 923
Service charges - refuse revenue	2	-	-	-	-	-	-	-	3 179	3 360	3 690
Service charges - other									185	198	210
Rental of facilities and equipment									302	312	325
Interest earned - external investments									250	250	200
Interest earned - outstanding debtors									400	450	480
Dividends received											
Fines, penalties and forfeits									3 191	3 351	3 518
Licences and permits											
Agency services									80	85	90
Transfers and subsidies									45 569	48 695	51 453
Other revenue	2	-	-	-	-	-	-	-	6 107	6 370	6 511
Gains on disposal of PPE											

Total Revenue (excluding capital transfers and contributions)		-	-	-	-	-	-	-	129 950	139 756	156 316
Expenditure By Type	-										
Employee related costs	2	-	-	-	-	-	-	-	45 353	47 616	49 735
Remuneration of councillors									4 105	4 351	4 569
Debt impairment	3								19 791	21 328	22 819
Depreciation & asset impairment	2	-	-	-	-	-	-	-	8 442	8 332	7 626
Finance charges									1 756	1 784	1 813
Bulk purchases	2	-	-	-	-	-	-	-	39 273	42 409	45 802
Other materials	8										
Contracted services		-	-	-	-	-	-	-	1 689	1 750	1 800
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	-	-	-	-	-	-	-	34 880	36 346	38 121
Loss on disposal of PPE											
Total Expenditure		-	-	-	-	-	-	-	155 288	163 917	172 285
Surplus/(Deficit)		-	-	-	-	-	-	-	(25 338)	(24 161)	(15 969)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)									36 693	19 559	19 333
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)									33 150	21 237	15 000
Surplus/(Deficit) after capital transfers & contributions		-	-	-	-	-	-	-	44 505	16 635	18 364
Taxation											
Surplus/(Deficit) after taxation		-	-	-	-	-	-	-	44 505	16 635	18 364
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		-	-	-	-	-	-	-	44 505	16 635	18 364
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		-	-	-	-	-	-	-	44 505	16 635	18 364

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Total revenue is R 129,950 million in 2017/18 and increase to R 156 316 million by 2019/20.
2. Revenue to be generated from property rates is R 10,802 million in the 2017/18 financial year and increases to R 12,222 million by 2019/20 which represents 7 per cent of the operating revenue base of the municipality and therefore remains a significant funding source for the municipality. It remains relatively constant over the medium-term and tariff increases have been factored in at 7 per cent, 8 per cent and 8 per cent for each of the respective financial years over the MTREF.

3. Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the municipality totalling R 63,249 million for the 2017/18 financial year and increasing to R 81,517 million by 2019/20. This growth can mainly be attributed to the increases in tariffs over the MTREF.
4. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that the grants receipts from national government are growing rapidly over the MTREF.
5. Bulk purchases have significantly increased over the 2017/18 to 2019/20 period escalating from R 39,273 million to R 45,802 million. These increases can be attributed to the substantial increase in the cost of bulk Electricity from Eskom .
6. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

Figure 2 Expenditure by Major Type

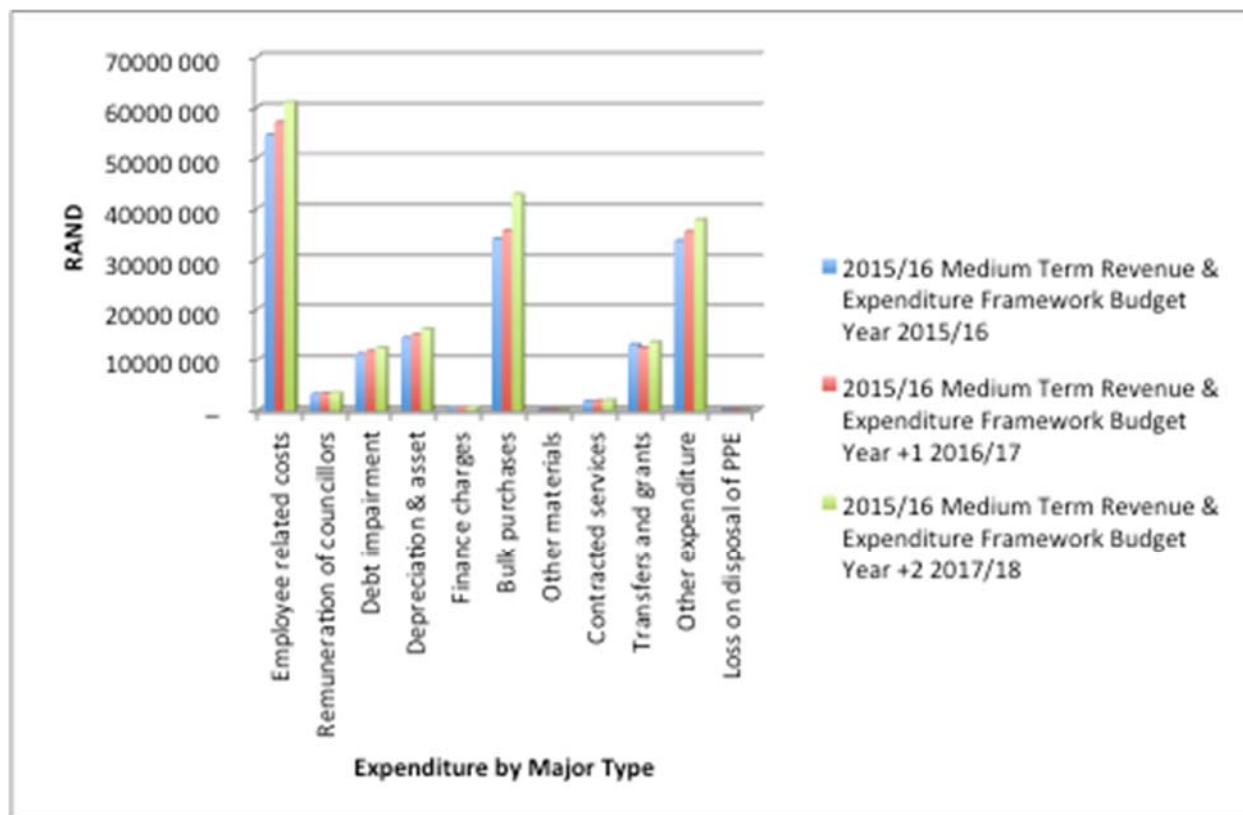


Table 18 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Vote Description R thousand	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-
Vote 2 - COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE AND HUMAN RESOURCES		-	-	-	-	-	-	-	-	-	-
Vote 4 - FINANCE		-	-	-	-	-	-	-	-	-	-
Vote 5 - PROPERTIES		-	-	-	-	-	-	-	-	-	-
Vote 6 - LIBRARIES		-	-	-	-	-	-	-	-	-	-
Vote 7 - CEMETARY		-	-	-	-	-	-	-	-	-	-
Vote 8 - PARKS AND RECREATION		-	-	-	-	-	-	-	-	-	-
Vote 9 - DISASTER MANAGEMENT		-	-	-	-	-	-	-	-	-	-
Vote 10 - WASTE MANAGEMENT		-	-	-	-	-	-	-	-	-	-
Vote 11 - PUBLIC WORKS		-	-	-	-	-	-	-	-	-	-
Vote 12 - ELECTRICITY		-	-	-	-	-	-	-	-	-	-
Vote 13 - WATER		-	-	-	-	-	-	-	-	-	-
Vote 14 - WASTE WATER MANAGEMENT		-	-	-	-	-	-	-	-	-	-
Vote 15 - TRAFFIC		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-
Vote 2 - COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE AND HUMAN RESOURCES		-	-	-	-	-	-	-	-	-	-
Vote 4 - FINANCE		-	-	-	-	-	-	-	-	-	-
Vote 5 - PROPERTIES		-	-	-	-	-	-	-	-	-	-
Vote 6 - LIBRARIES		-	-	-	-	-	-	-	-	-	-
Vote 7 - CEMETARY		-	-	-	-	-	-	-	-	-	-
Vote 8 - PARKS AND RECREATION		-	-	-	-	-	-	-	6 867	-	-
Vote 9 - DISASTER MANAGEMENT		-	-	-	-	-	-	-	-	-	-
Vote 10 - WASTE MANAGEMENT		-	-	-	-	-	-	-	-	1 507	18 333
Vote 11 - PUBLIC WORKS		-	-	-	-	-	-	-	-	-	-
Vote 12 - ELECTRICITY		-	-	-	-	-	-	-	26 101	11 693	9 640
Vote 13 - WATER		-	-	-	-	-	-	-	28 300	29 937	23 800

Vote 14 - WASTE WATER MANAGEMENT		-	-	-	-	-	-	-	25 855	14 999	-
Vote 15 - TRAFFIC		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		-	-	-	-	-	-	-	87 123	58 136	51 773
Total Capital Expenditure - Vote		-	-	-	-	-	-	-	87 123	58 136	51 773
Capital Expenditure - Functional											
<i>Governance and administration</i>		-	-	-	-	-	-	-	350	350	350
Executive and council									150	150	150
Finance and administration									200	200	200
Internal audit											
<i>Community and public safety</i>		-	-	-	-	-	-	-	6 867	-	-
Community and social services											
Sport and recreation									6 867		
Public safety											
Housing											
Health											
<i>Economic and environmental services</i>		-	-	-	-	-	-	-	-	-	-
Planning and development											
Road transport											
Environmental protection											
<i>Trading services</i>		-	-	-	-	-	-	-	80 256	58 136	51 773
Energy sources									26 101	11 693	9 640
Water management									28 300	29 937	23 800
Waste water management									25 855	14 999	-
Waste management										1 507	18 333
<i>Other</i>											
Total Capital Expenditure - Functional	3	-	-	-	-	-	-	-	87 473	58 486	52 123
Funded by:											
National Government									69 843	40 796	34 333
Provincial Government											
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	-	-	-	-	-	-	-	69 843	40 796	34 333
Public contributions & donations	5										
Borrowing	6										
Internally generated funds									17 630	17 340	17 440
Total Capital Funding	7	-	-	-	-	-	-	-	87 473	58 136	51 773

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme by municipal vote; capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The capital programme is funded from capital and provincial grants and transfers, and internally generated funds from current year surpluses. These funding sources are further discussed in detail in 2.6 (Overview of Budget Funding).

Figure 3 Capital Infrastructure Program

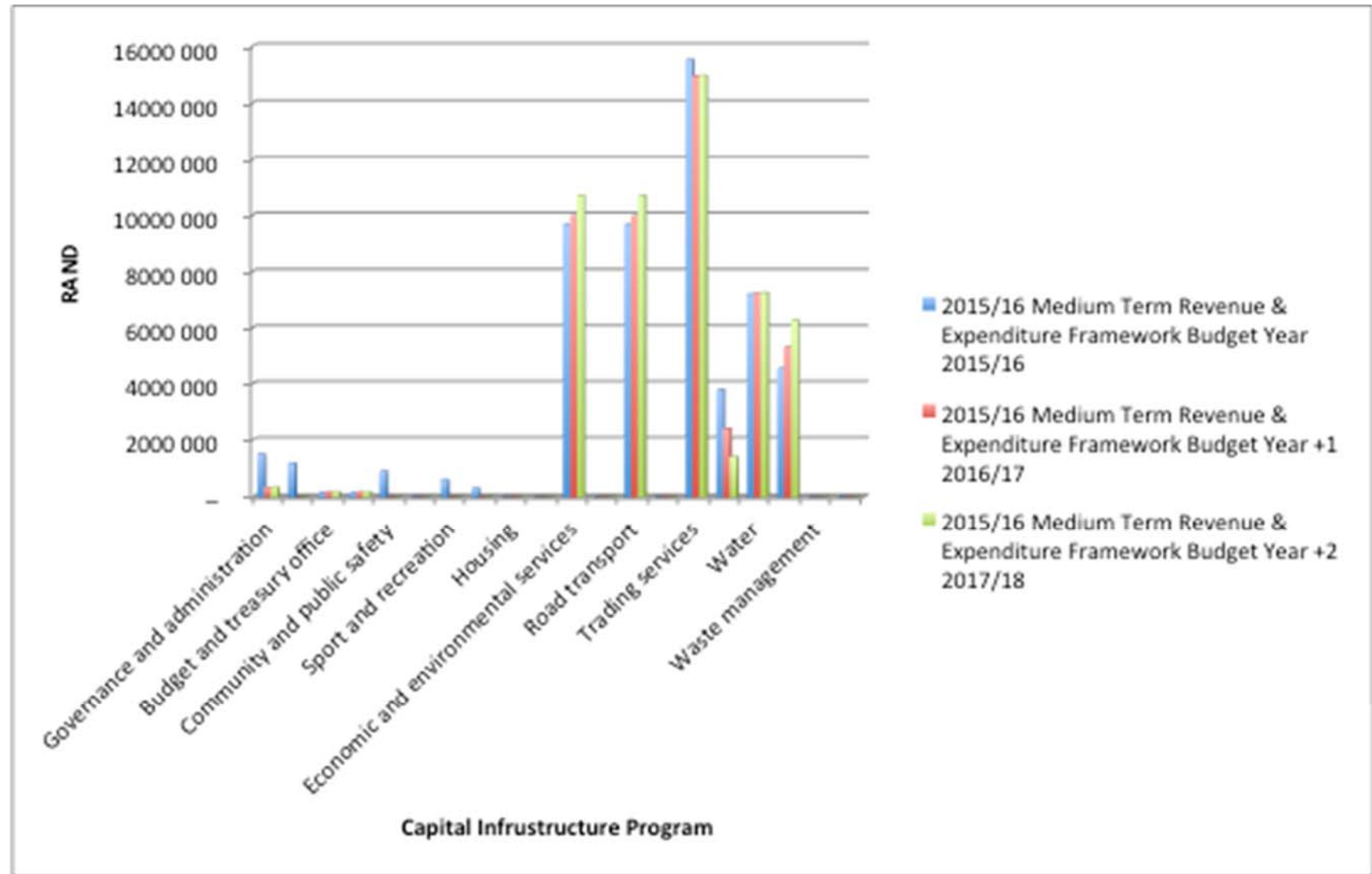


Table 19 MBRR Table A6 - Budgeted Financial Position

Description R thousand	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
ASSETS											
Current assets											
Cash									156		
Call investment deposits	1	–	–	–	–	–	–	–	–	–	–
Consumer debtors	1	–	–	–	–	–	–	–	15 216	6 579	13 389
Other debtors									9 500	8 200	8 200
Current portion of long-term receivables											
Inventory	2								500	503	510
Total current assets		–	–	–	–	–	–	–	25 373	15 282	22 099
Non current assets											
Long-term receivables											
Investments											
Investment property											
Investment in Associate											
Property, plant and equipment	3	–	–	–	–	–	–	–	422 240	465 198	501 794
Agricultural									450	400	380
Biological									304	164	14
Intangible									155	150	145
Other non-current assets											
Total non current assets		–	–	–	–	–	–	–	423 149	465 912	502 333
TOTAL ASSETS		–	–	–	–	–	–	–	448 521	481 194	524 432
LIABILITIES											
Current liabilities											
Bank overdraft	1									42 191	42 191
Borrowing	4	–	–	–	–	–	–	–	1 523	1 523	1 523
Consumer deposits									190	200	210
Trade and other payables	4	–	–	–	–	–	–	–	115 000	132 427	172 129
Provisions									11 105	11 660	12 243
Total current liabilities		–	–	–	–	–	–	–	127 818	188 002	228 297
Non current liabilities											

Borrowing		-	-	-	-	-	-	-	20 326	18 863	18 640
Provisions		-	-	-	-	-	-	-	19 958	21 264	22 635
Total non current liabilities		-	-	-	-	-	-	-	40 284	40 128	41 275
TOTAL LIABILITIES		-	-	-	-	-	-	-	168 102	228 129	269 572
NET ASSETS	5	-	-	-	-	-	-	-	280 419	253 065	254 860
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)									280 419	253 065	254 860
Reserves	4	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	-	-	-	-	-	-	-	280 419	253 065	254 860

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table A6 is supported by an extensive table of notes providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non current;
 - Changes in net assets; and
 - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning

assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 20 MBRR Table A7 - Budgeted Cash Flow Statement

Description R thousand	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates									9 182	9 765	10 389
Service charges									53 790	58 471	69 321
Other revenue									9 680	10 118	10 444
Government - operating	1								46 096	49 222	52 098
Government - capital	1								69 843	40 796	34 333
Interest									650	700	680
Dividends									-	-	-
Payments											
Suppliers and employees									(126 270)	(133 298)	(140 852)
Finance charges									(1 756)	(1 784)	(1 813)
Transfers and Grants	1								-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	-	-	-	-	-	-	61 215	33 990	34 599
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE									-	-	-
Decrease (Increase) in non-current debtors									-	-	-
Decrease (increase) other non-current receivables									-	-	-
Decrease (increase) in non-current investments									-	-	-
Payments											
Capital assets									(69 843)	(40 796)	(34 333)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	-	-	-	-	-	-	(69 843)	(40 796)	(34 333)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-

Increase (decrease) in consumer deposits									-	-	-
Payments											
Repayment of borrowing									(18 803)	(18 863)	(18 963)
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	(18 803)	(18 863)	(18 963)
NET INCREASE/ (DECREASE) IN CASH HELD		-	-	-	-	-	-	-	(27 432)	(25 669)	(18 697)
Cash/cash equivalents at the year begin:	2								-	(27 432)	(53 101)
Cash/cash equivalents at the year end:	2	-	-	-	-	-	-	-	(27 432)	(53 101)	(71 798)

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. The cash flow of the municipality fluctuate significantly over the 2017/18 to 2019/20 period due to a net decrease in cash since the 2016/17 financial year.
4. As part of the 2016/17 mid-year review and Adjustments Budget this unsustainable cash position had to be addressed as a matter of urgency and various interventions were implemented such as the reduction of expenditure allocations and rationalization of spending priorities.
5. In addition the Municipality undertook an extensive debt collection drive resulting in cash receipts on arrear debtors of R 25 million. These interventions translated into a net cash position of R10 million for the 2017/18 financial year.
6. The 20136/17 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term and resulted in a budgeted positive cash flow of R10m.

Table 21 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

Description R thousand	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<u>Cash and investments available</u>											
Cash/cash equivalents at the year end	1	-	-	-	-	-	-	-	(27 432)	(53 101)	(71 798)
Other current investments > 90 days		-	-	-	-	-	-	-	27 588	10 910	29 608
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		-	-	-	-	-	-	-	156	(42 191)	(42 191)
<u>Application of cash and investments</u>											
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	-	-	-	-	-	-	-	93 656	119 675	153 533
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		-	-	-	-	-	-	-	93 656	119 675	153 533
Surplus(shortfall)		-	-	-	-	-	-	-	(93 500)	(161 866)	(195 724)

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.

2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The municipality maintains a positive cash flow for the MTREF period

Table 22 MBRR Table A9 - Asset Management

Description R thousand	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
CAPITAL EXPENDITURE										
<u>Total New Assets</u>	1	-	-	-	-	-	-	87 473	58 486	52 123
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	26 101	11 693	9 640
Water Supply Infrastructure		-	-	-	-	-	-	28 300	29 937	23 800
Sanitation Infrastructure		-	-	-	-	-	-	25 855	14 999	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	1 507	18 333
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	80 256	58 136	51 773
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	6 867	-	-
Community Assets		-	-	-	-	-	-	6 867	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-

Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	200	200	200	200
Furniture and Office Equipment	-	-	-	-	-	150	150	150	150
Machinery and Equipment	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	-	-	-	-	-	-	-	-	-
<i>Roads Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Community Assets	-	-	-	-	-	-	-	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-

2

Computer Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office	-	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non- biological Animals	-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets	-	-	-	-	-	-	-	-	-
<i>Roads Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Water Supply</i>	-	-	-	-	-	-	-	-	-
<i>Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-
Sport and Recreation	-	-	-	-	-	-	-	-	-
Facilities	-	-	-	-	-	-	-	-	-
Community Assets	-	-	-	-	-	-	-	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-	-
Biological or Cultivated	-	-	-	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office	-	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-

6

Libraries	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4								
Roads Infrastructure	-	-	-	-	-	-	-	-	-
Storm water Infrastructure	-	-	-	-	-	-	-	-	-
Electrical Infrastructure	-	-	-	-	-	-	26 101	11 693	9 640
Water Supply	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	28 300	29 937	23 800
Sanitation Infrastructure	-	-	-	-	-	-	25 855	14 999	-
Solid Waste Infrastructure	-	-	-	-	-	-	-	1 507	18 333
Rail Infrastructure	-	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	80 256	58 136	51 773
Community Facilities	-	-	-	-	-	-	-	-	-
Sport and Recreation	-	-	-	-	-	-	-	-	-
Facilities	-	-	-	-	-	-	6 867	-	-
Community Assets	-	-	-	-	-	-	6 867	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-	-
Biological or Cultivated	-	-	-	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	200	200	200
Furniture and Office	-	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	150	150	150
Machinery and Equipment	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE									
- Asset class		-	-	-	-	-	87 473	58 486	52 123

ASSET REGISTER SUMMARY - PPE (WDV)	5									
Roads Infrastructure								41 318	48 449	47 949
Storm water Infrastructure								61 163	61 163	60 863
Electrical Infrastructure								86 357	87 357	90 357
Water Supply										
Infrastructure								68 114	66 114	66 114
Sanitation Infrastructure								739	739	339
Solid Waste Infrastructure										
Rail Infrastructure										
Coastal Infrastructure										
Information and Communication Infrastructure										
Infrastructure		-	-	-	-	-	-	257 691	263 822	265 622
Community Facilities								22 070	21 670	21 170
Sport and Recreation										
Facilities										
Community Assets		-	-	-	-	-	-	22 070	21 670	21 170
Heritage Assets										
Revenue Generating										
Non-revenue Generating										
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings										
Housing										
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated										
Assets								450	400	380
Servitudes										
Licences and Rights										
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment								304	164	14
Furniture and Office										
Equipment										
Machinery and Equipment								48 494	46 494	49 012
Transport Assets										
Libraries										
Zoo's, Marine and Non-biological Animals										
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	-	-	-	-	-	-	329 009	332 550	336 198
EXPENDITURE OTHER ITEMS										
Depreciation	7	-	-	-	-	-	-	8 442	8 332	7 626
Repairs and Maintenance by Asset Class	3	-	-	-	-	-	-	12 081	12 822	12 954

Roads Infrastructure	-	-	-	-	-	-	-	12 081	12 822	12 954
Storm water Infrastructure	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	12 081	12 822	12 954
Community Facilities	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-	-
Community Assets	-	-	-	-	-	-	-	-	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS	-	-	-	-	-	-	-	20 523	21 154	20 580
Renewal and upgrading of Existing Assets as % of total capex	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Renewal and upgrading of Existing Assets as % of deprecn	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%

<i>R&M as a % of PPE</i>		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	2,9%	2,8%	2,6%
<i>Renewal and upgrading and R&M as a % of PPE</i>		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	4,0%	4,0%	4,0%

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. Unfortunately due to the huge backlogs the municipality cannot attend to the renewal of assets yet.

Table 23 MBRR Table A10 - Basic Service Delivery Measurement

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Household service targets	1									
<u>Water:</u>										
Piped water inside dwelling		-	-	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
<u>Sanitation/sewerage:</u>										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
<u>Energy:</u>										
Electricity (at least min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
<u>Refuse:</u>										

Removed at least once a week		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
<u>Households receiving Free Basic Service</u>	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
<u>Cost of Free Basic Services provided - Formal Settlements (R'000)</u>	8									
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	1 278	1 367	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	3 997	4 276	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	-	-	-	1 713	1 833	-
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	4 000	4 250	4 300
<u>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</u>		-	-	-	-	-	-	-	-	-
Total cost of FBS provided		-	-	-	-	-	-	10 988	11 727	4 300
<u>Highest level of free service provided per household</u>										
Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)										
Refuse (average litres per week)										
<u>Revenue cost of subsidised services provided (R'000)</u>	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)										

Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		-	-	-	-	-	-	2 300	2 400	2 500
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates	6									
Housing - top structure subsidies										
Other										
Total revenue cost of subsidised services provided		-	-	-	-	-	-	2 300	2 400	2 500

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The Municipality continues to make good progress with the eradication of backlogs although the municipality is entirely dependent on conditional grants to achieve total eradication.

Part 2 – Supporting Documentation

1.7 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Mayor who is responsible for the finances of the municipality.

The primary aims of the Budget Steering Committee are to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

1.7.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2016) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule before 31 August 2016. Key dates applicable to the process were:

- **August 2016** – Joint strategic planning session of the Mayoral Committee and Executive Management. Aim: to review past performance trends of the capital and operating budgets, the economic realities and to set the prioritisation criteria for the compilation of the 2017/18 MTREF;
- **November 2016** – Detail departmental budget proposals (capital and operating) submitted to the Budget and Treasury Office for consolidation and assessment against the financial planning guidelines;
- **to 7 January 2017** - Review of the financial strategy and key economic and financial planning assumptions by the Budget Steering Committee. This included financial forecasting and scenario considerations;
 - **January 2017** – Multi-year budget proposals are submitted to the Mayoral Committee for endorsement;
 - **28 January 2017** - Council considers the 2016/17 Mid-year Review and Adjustments Budget;
- **February 2017**- Recommendations of the Mayoral Committee are communicated to the Budget Steering Committee, and on to the respective departments. The draft 2017/18 MTREF is revised accordingly;
 - **31 March 2017** - Tabling in Council of the draft 2017/18 IDP and 2019/20 MTREF for public consultation;
 - **April 2017** – Public consultation;
 - **6 May 2017**- Closing date for written comments;
- **6 to 21 May 2017** – finalisation of the 2017/18 IDP and 2019/20 MTREF, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Bill and financial framework; and
 - **31 May 2017** - Tabling of the 2017/18MTREF before Council for consideration and approval.

There were no deviations from the key dates set out in the Budget Time Schedule tabled in Council.

1.7.2 IDP and Service Delivery and Budget Implementation Plan

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fourth revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

With the compilation of the 2017/18 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2017/18 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

1.7.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2017/18 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2017/18 MTREF:

- Municipality growth
- Policy priorities and strategic objectives
 - Asset maintenance
- Economic climate and trends (i.e inflation, Eskom increases, household debt, migration patterns)
 - Performance trends
- The approved 2016/17 adjustments budget and performance against the SDBIP
 - Cash Flow Management Strategy
 - Debtor payment levels
 - Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
 - Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Budget Circulars has been taken into consideration in the planning and prioritisation process.

1.7.4 Community Consultation

The draft 2017/18 MTREF as tabled before Council on 31 March 2017 for community consultation was published, and hard copies were made available at customer care offices, municipal notice boards and various offices.

All documents in the appropriate format (electronic and printed) were provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make comments.

Ward Committees were utilised to facilitate the community consultation process from 17 to 29 May 2017, and included nine public briefing sessions. The applicable dates and venues were published in all the local newspapers and on average attendance of 80 was recorded per meeting. Other stakeholders involved in the consultation included churches, non-governmental institutions and community-based organisation

1.8 Overview of alignment of annual budget with IDP

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2017/18 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 24 IDP Strategic Objectives

2014/15 Financial Year	2017/18 - 17 MTREF
1. Basic Service Delivery	1. Sewerage Refuse removal Electricity admin, generation and distribution Water storage and distribution Cemetery Main roads Commonage Municipal Buildings

	Public works Parks and gardens
2. Good Governance and Public Participation	2. Good Governance and Public Participation Executive and Council Corporate Services
3. Municipal Financial Viability	3.1 Rates
	3.2 Budget and Treasury Office
4. Municipal Institutional Development and Transformation	4. Library Health Museums Clinics
5. Local Economic Development	5.1 Fire Service
	5.2 Traffic and licencing
	5.3 Civil Defence

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives:

1. Provision of quality basic services and infrastructure which includes, amongst others:

- Provide Electricity;
- Provide water;
- Provide sanitation;
- Provide waste removal;
- Provide housing;
- Provide roads and storm water;
- Provide Municipality planning services; and
- Maintaining the infrastructure of the Municipality.

- 2. Economic growth and development that leads to sustainable job creation by:
 - Ensuring there is a clear structural plan for the Municipality;
 - Ensuring planning processes function in accordance with set timeframes;
 - Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure.
- 3.1 Fight poverty and build clean, healthy, safe and sustainable communities:
 - Effective implementation of the Indigent Policy;
 - Extending waste removal services and ensuring effective Municipality cleansing;
 - Ensuring all waste water treatment works are operating optimally;
 - Working with strategic partners such as SAPS to address crime;
 - Ensuring safe working environments by effective enforcement of building and health regulations;
 - Promote viable, sustainable communities through proper zoning; and
- 3.2 Integrated Social Services for empowered and sustainable communities
 - Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated with the informal settlements upgrade programme
- 4. Foster participatory democracy and Siyancuma principles through a caring, accessible and accountable service by:
 - Optimising effective community participation in the ward committee system; and
 - Implementing Siyancuma in the revenue management strategy.
- 5.1 Promote sound governance through:
 - Publishing the outcomes of all tender processes on the municipal website
- 5.2 Ensure financial sustainability through:
 - Reviewing the use of contracted services
 - Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan
- 5.3 Optimal institutional transformation to ensure Municipality to achieve set objectives
 - Review of the organizational structure to optimize the use of personnel;

The 2017/18 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table 25 MBRR revenue Table SA4 - Reconciliation between the IDP strategic objectives and budget

Strategic Objective R thousand	Goal	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
To facilitate development and growth of the local economy of the Siyancuma municipal area with the intent to create opportunities that will reduce poverty and unemployment	Local Economic Development									
To expand and grow the Siyancuma Municipality's Internally Generated Funds (IGF) with the intent to promote long-term financial stability	Financial Viability & Management							53 047	57 804	61 287
To promote a transparent and caring Municipality that is accountable to its citizens	Good Governance & Public Participation							2 964	3 120	3 030
To promote access to adequate, affordable and well maintained municipal basic services	Basic service delivery							132 776	98 819	103 637
To promote a safe and healthy environment and access to public amenities.	Public safety							11 006	4 304	4 362

Allocations to other priorities										
Total Revenue (excluding capital transfers and contributions)		-	-	-	-	-	-	199 793	164 046	172 316

Table 26 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

Strategic Objective	Goal	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
To facilitate development and growth of the local economy of the Siyancuma municipal area with the intent to create opportunities that will reduce poverty and unemployment	Local Economic Development									
To expand and grow the Siyancuma Municipality's Internally Generated Funds (IGF) with the intent to promote long-term financial stability	Financial Viability & Management							22 705	24 184	25 443
To promote a transparent and caring Municipality that is accountable to its citizens	Good Governance & Public Participation							24 997	26 259	27 216
To promote access to adequate, affordable and well maintained municipal basic services	Basic service delivery							99 440	104 746	110 571
To promote a safe and healthy environment and access to public amenities.	Public safety							8 146	8 728	9 055

--	--	--	--	--	--	--	--	--	--	--	--

Allocations to other priorities										
Total Expenditure	-	-	-	-	-	-	-	155 288	163 917	172 285

Table 27 MBRR Table SA6 - Reconciliation between the IDP strategic objectives.

Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand												
To facilitate development and growth of the local economy of the Siyancuma municipal area with the intent to create opportunities that will reduce poverty and unemployment	Local Economic Development	A										
To expand and grow the Siyancuma Municipality's Internally Generated Funds (IGF) with the intent to promote long-term financial stability	Financial Viability & Management	B										
To promote a transparent and caring Municipality that is accountable to its citizens	Good Governance & Public Participation	C										
To promote access to adequate, affordable and well maintained municipal basic services	Basic service delivery	D								87 123	58 136	51 773

To promote a safe and healthy environment and access to public amenities.	Public safety	E									
		F									
		G									
		H									
		I									
		J									
		K									
		L									
		M									
		N									

		O											
		P											
Allocations to other priorities			3										
Total Capital Expenditure			1	-	-	-	-	-	-	87 123	58 136	51 773	

1.9 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The municipality target, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

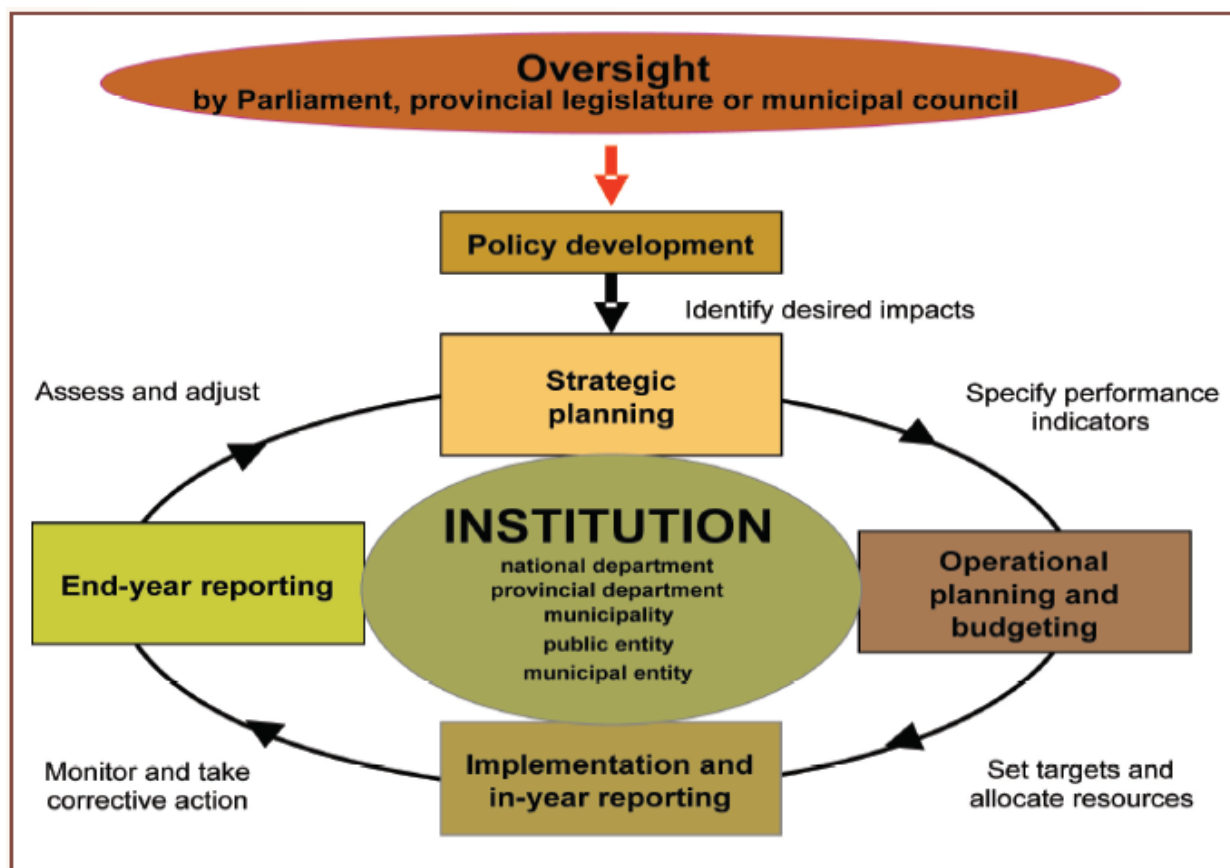


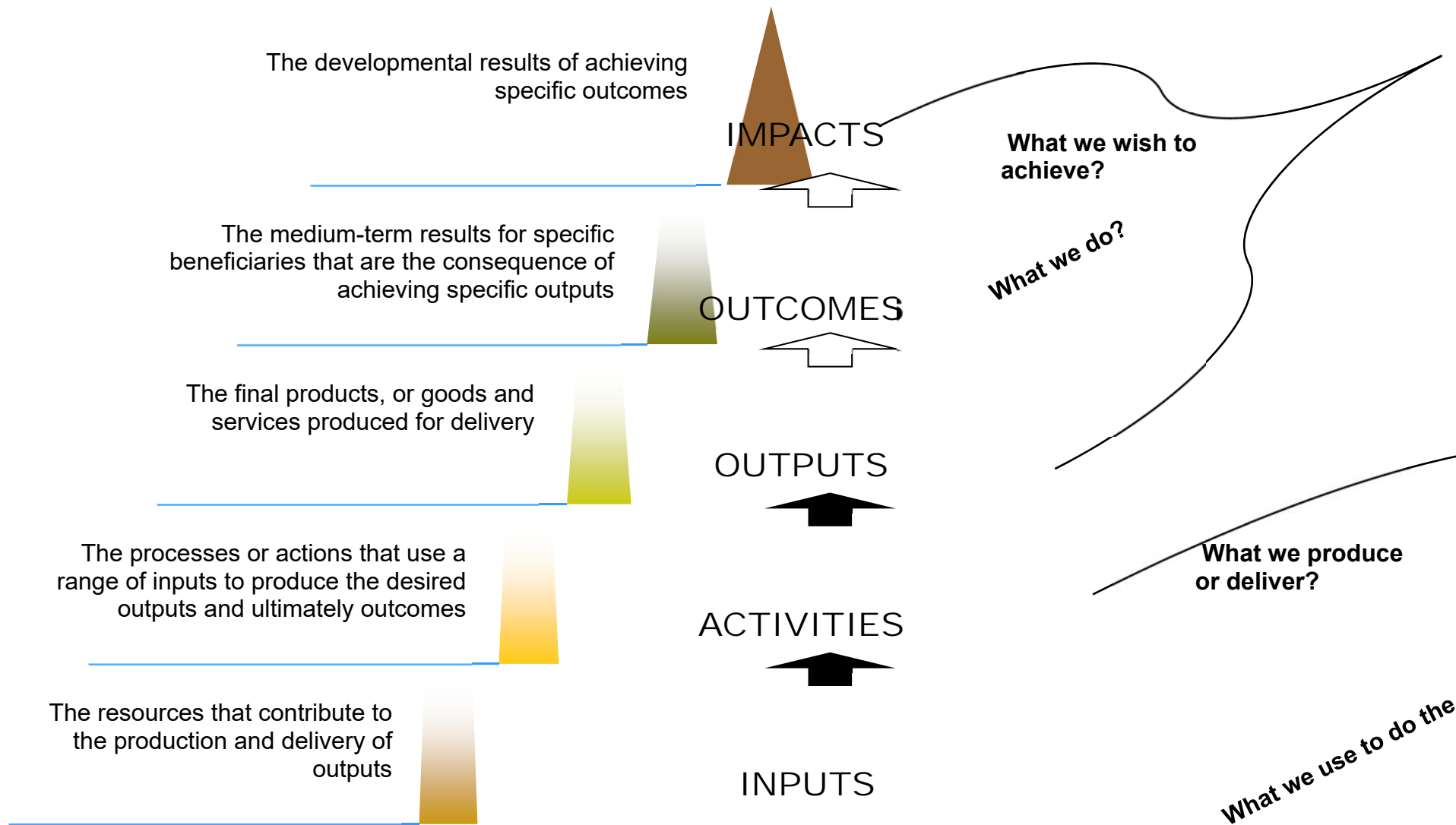
Figure 4 Planning, budgeting and reporting cycle

The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
 - Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);

- Reporting (what information, to whom, from whom, how often and for what purpose); and
 - Improvement (making changes where necessary).

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the ***Framework of Managing Programme Performance Information*** issued by the National Treasury:



The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

Table 28 MBRR Table SA7 - Measurable performance objectives

1.9.1 Performance indicators and benchmarks

1.9.1.1 Borrowing Management

- The municipality does not foresee any borrowing during the MTREF.

1.9.1.2 Safety of Capital

- Gearing: no borrowing will be undertaken.

1.9.1.3 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities. For the 2017/18 MTREF the current ratio is 1.4:1 in the 2017/18 financial year.
- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to erase or redeem, its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1:1. Anything below 1 indicates a shortage in cash to meet creditor obligations.

1.9.1.4 Revenue Management

- The revenue value chain must be enhanced to ensuring accurate billing, customer service, credit control and debt collection.

1.9.1.5 Creditors Management

- The Municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure a 100 per cent compliance rate to this legislative obligation.

1.9.1.6 Other Indicators

- The electricity distribution losses increase from 33% in the 2016/17 financial year to 40 per cent over the MTREF. The initiatives to ensure these targets are decreasing the following measurements is in place achieved, managing illegal connections and theft of electricity by rolling out our own metering systems, including prepaid meters.
- The water distribution losses have decreased significantly to 20 per cent in 2017/18.

1.9.2 Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality.

For the 2016/17 financial year 3527 registered indigents have been provided for in the budget with this figured increasing to 4000 by 2017/18. In terms of the Municipality's indigent policy registered households are entitled to 6kl fee water, 50 kwh of Electricity, sanitation and free waste removal as well as a discount on their property rates.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement).

Note that the number of households in informal areas that receive free services and the cost of these services (e.g. the provision of water through stand pipes, water tankers, etc) are not taken into account in the table noted above.

1.10 Overview of budget related-policies

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

1.10.1 Review of credit control and debt collection procedures/policies

POLICIES	AMENDED	COMMENTS
Tariff Policy	Yes	
Free Basic Services Policy	Yes	
Credit control and debt Collection Policy	Yes	
Property rates Policy	Yes	
Supply Chain Management Policy	Yes	
Investment Policy	Yes	

1.11 Overview of budget assumptions

1.11.1 External factors

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the Municipality's finances.

1.11.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2017/18 MTREF:

- National Government macro economic targets;
- The general inflationary outlook and the impact on Municipality's residents and businesses;
 - The impact of municipal cost drivers;
 - The increase in prices for bulk Electricity and water; and
- The increase in the cost of remuneration. Employee related costs comprise 36 per cent of total operating expenditure in the 2017/18 MTREF and therefore this increase above inflation places a disproportionate upward pressure on the expenditure budget. The wage agreement SALGBC concluded with the municipal workers unions on 31 July 2016 as well as the categorisation and job evaluation wage curves collective agreement signed must be noted. No agreement has been reached for the MTREF and a 7% increase for 2017/18 has been budgeted for

1.11.3 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage (85 per cent) of annual billings. Cash flow is assumed to be 85 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

1.11.4 Salary increases

No collective agreement regarding salaries/wages has been concluded thus far. A seven per cent increase is budgeted for.

1.11.5 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 100 per cent is achieved on operating expenditure and 100 per cent on the capital programme for the 2017/18 MTREF of which performance has been factored into the cash flow budget.

1.12 Overview of budget funding

1.12.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

Table 29 Performance Indicators & Benchmarking

Description of financial indicator	Basis of calculation	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<u>Borrowing Management</u>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	13,2%	12,6%	12,1%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	24,4%	22,7%	19,8%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	–	–	–	–	–	–	–	0,2	0,1	0,1
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	–	–	–	–	–	–	–	0,2	0,1	0,1
Liquidity Ratio	Monetary Assets/Current Liabilities	–	–	–	–	–	–	–	0,0	–	–
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	85,0%	85,0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	85,0%	85,0%	85,0%

Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	19,0%	10,6%	13,8%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))										
Creditors to Cash and Investments		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	-419,2%	-249,4%	-239,7%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW) Total Cost of Losses (Rand '000) % Volume (units purchased and generated less units sold)/units purchased and generated										
Water Distribution Losses (2)	Total Volume Losses (kℓ) Total Cost of Losses (Rand '000) % Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	34,9%	34,1%	31,8%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	38,5%	37,6%	35,1%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	9,3%	9,2%	8,3%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	7,8%	7,2%	6,0%
IDP regulation financial viability indicators	-										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	-	-	-	-	-	-	-	4,3	4,6	5,3
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	33,2%	18,3%	23,0%

iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	-	-	-	-	-	-	-	(3,1)	(5,5)	(7,0)
--------------------	--	---	---	---	---	---	---	---	-------	-------	-------

Table 31 Breakdown of the operating revenue over the medium-term

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue By Source											
Property rates	2	-	-	-	-	-	-	-	10 802	11 489	12 222
Service charges - electricity revenue	2	-	-	-	-	-	-	-	38 198	41 725	46 171
Service charges - water revenue	2	-	-	-	-	-	-	-	18 032	19 487	22 523
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	3 655	3 986	8 923
Service charges - refuse revenue	2	-	-	-	-	-	-	-	3 179	3 360	3 690
Service charges - other									185	198	210
Rental of facilities and equipment									302	312	325
Interest earned - external investments									250	250	200
Interest earned - outstanding debtors									400	450	480
Dividends received											
Fines, penalties and forfeits									3 191	3 351	3 518
Licences and permits											
Agency services									80	85	90
Transfers and subsidies									45 569	48 695	51 453
Other revenue	2	-	-	-	-	-	-	-	6 107	6 370	6 511
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		-	-	-	-	-	-	-	129 950	139 756	156 316

Table 32 MBRR SA15 – Detail Investment Information

Investment type	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
<u>Parent municipality</u>										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
<u>Entities</u>										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										

Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		-	-	-	-	-	-	-	-	-

1.12.2 Medium-term outlook: capital revenue

Table 33 Sources of capital revenue over the MTREF

Vote Description R thousand	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Funded by:											
National Government									69 843	40 796	34 333
Provincial Government											
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	-	-	-	-	-	-	-	69 843	40 796	34 333
Public contributions & donations	5										
Borrowing	6										
Internally generated funds									17 630	17 340	17 440
Total Capital Funding	7	-	-	-	-	-	-	-	87 473	58 136	51 773

Capital grants and receipts fund a major portion of capital expenditure.

Table 34 MBRR Table SA 17 - Detail of borrowings

Borrowing - Categorised by type R thousand	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<u>Parent municipality</u>	1									
Annuity and Bullet Loans										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases								20 326	18 863	18 640
PPP liabilities										
Finance Granted By Cap										
Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total		-	-	-	-	-	-	20 326	18 863	18 640
<u>Entities</u>										
Annuity and Bullet Loans										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap										
Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										

Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Borrowing	1	-	-	-	-	-	-	20 326	18 863	18 640
Unspent Borrowing - Categorised by type										
<u>Parent municipality</u>										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap										
Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
<u>Entities</u>										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap										
Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	-	-	-	-	-	-	-	-	-

Total Unspent Borrowing	1	-	-	-	-	-	-	-	-	-
-------------------------	---	---	---	---	---	---	---	---	---	---

Table 35 MBRR Table SA 18 - Capital transfers and grant receipts

Description R thousand	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
RECEIPTS:	1, 2									
- <u>Operating Transfers and Grants</u>										
National Government:		-	-	-	-	-	-	44 729	48 855	51 731
Local Government Equitable Share								41 384	45 255	47 871
Finance Management								2 345	2 600	2 860
EPWP Incentive								1 000	1 000	1 000
Other transfers/grants [insert description]										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other transfers/grants [insert description]										
District Municipality: [insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	840	840	722
Library								840	840	722
Total Operating Transfers and Grants	5	-	-	-	-	-	-	45 569	49 695	52 453

<u>Capital Transfers and Grants</u>										
National Government:		-	-	-	-	-	-	69 843	38 796	33 333
Municipal Infrastructure Grant (MIG)								23 693	17 559	18 333
Regional Bulk Infrastructure								5 150	21 237	15 000
Water Services Infrastructure Grant and INEP								41 000		
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
Library										
Total Capital Transfers and Grants	5	-	-	-	-	-	-	69 843	38 796	33 333
TOTAL RECEIPTS OF TRANSFERS & GRANTS		-	-	-	-	-	-	115 412	88 491	85 786

1.12.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understand ability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue.

Table 36 MBRR Table A7 - Budget cash flow statement

Description R thousand	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates									9 182	9 765	10 389
Service charges									53 790	58 471	69 321
Other revenue									9 680	10 118	10 444
Government - operating	1								46 096	49 222	52 098
Government - capital	1								69 843	40 796	34 333
Interest									650	700	680
Dividends									-	-	-
Payments											
Suppliers and employees									(126 270)	(133 298)	(140 852)
Finance charges									(1 756)	(1 784)	(1 813)
Transfers and Grants	1								-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	-	-	-	-	-	-	61 215	33 990	34 599
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE									-	-	-
Decrease (Increase) in non-current debtors									-	-	-
Decrease (increase) other non-current receivables									-	-	-

Decrease (increase) in non-current investments									-	-	-
Payments											
Capital assets									(69 843)	(40 796)	(34 333)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	-	-	-	-	-	-	(69 843)	(40 796)	(34 333)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits									-	-	-
Payments											
Repayment of borrowing									(18 803)	(18 863)	(18 963)
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	(18 803)	(18 863)	(18 963)
NET INCREASE/(DECREASE) IN CASH HELD		-	-	-	-	-	-	-	(27 432)	(25 669)	(18 697)
Cash/cash equivalents at the year begin:	2								-	(27 432)	(53 101)
Cash/cash equivalents at the year end:	2	-	-	-	-	-	-	-	(27 432)	(53 101)	(71 798)

1.12.4 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
 - How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

Table 37 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
<u>Cash and investments available</u>											
Cash/cash equivalents at the year end	1	-	-	-	-	-	-	-	(27 432)	(53 101)	(71 798)
Other current investments > 90 days		-	-	-	-	-	-	-	27 588	10 910	29 608
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		-	-	-	-	-	-	-	156	(42 191)	(42 191)
<u>Application of cash and investments</u>											
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	-	-	-	-	-	-	-	93 656	119 675	153 533
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		-	-	-	-	-	-	-	93 656	119 675	153 533
Surplus(shortfall)		-	-	-	-	-	-	-	(93 500)	(161 866)	(195 724)

1.12.5 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding

compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

Table 38 MBRR Table A10 – Funding Measurments

Description	MFMA section	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<u>Funding measures</u>	-	-										
Cash/cash equivalents at the year end - R'000	18(1)b	1	-	-	-	-	-	-	-	(27 432)	(53 101)	(71 798)

Cash + investments at the yr end less applications - R'000	18(1)b	2	-	-	-	-	-	-	-	(93 500)	(161 866)	(195 724)
Cash year end/monthly employee/supplier payments	18(1)b	3	-	-	-	-	-	-	-	(3,1)	(5,5)	(7,0)
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	-	-	-	-	-	-	-	44 505	16 635	18 364
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	(6,0%)	(6,0%)	(6,0%)	(6,0%)	(6,0%)	(6,0%)	(6,0%)	2,4%	10,8%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	86,4%	86,3%	86,1%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	26,7%	26,6%	24,3%
Capital payments % of capital expenditure	18(1)c;19	8	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	80,2%	70,2%	66,3%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0,0%	0,0%	0,0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	(40,2%)	46,1%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	2,9%	2,8%	2,6%
Asset renewal % of capital budget	20(1)(vi)	14	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%

References

Supporting indicators	-	-	-	-								
% incr <i>total service charges (incl prop rates)</i>	18(1)a			0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	8,4%	16,8%
% incr Property Tax	18(1)a			0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	6,4%	6,4%
% incr Service charges - electricity revenue	18(1)a			0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	9,2%	10,7%
% incr Service charges - water revenue	18(1)a			0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	8,1%	15,6%
% incr Service charges - sanitation revenue	18(1)a			0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	9,0%	123,9%
% incr Service charges - refuse revenue	18(1)a			0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	5,7%	9,8%
% incr in Service charges - other	18(1)a			0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	7,0%	6,1%
Total billable revenue	18(1)a		-	-	-	-	-	-	-	74 051	80 243	93 739
Service charges			-	-	-	-	-	-	-	74 051	80 243	93 739
Property rates			-	-	-	-	-	-	-	10 802	11 489	12 222
Service charges - electricity revenue			-	-	-	-	-	-	-	38 198	41 725	46 171
Service charges - water revenue			-	-	-	-	-	-	-	18 032	19 487	22 523
Service charges - sanitation revenue			-	-	-	-	-	-	-	3 655	3 986	8 923
Service charges - refuse removal			-	-	-	-	-	-	-	3 179	3 360	3 690
Service charges - other			-	-	-	-	-	-	-	185	198	210
Rental of facilities and equipment			-	-	-	-	-	-	-	302	312	325
Capital expenditure excluding capital grant funding			-	-	-	-	-	-	-	17 280	17 340	17 440
Cash receipts from ratepayers	18(1)a		-	-	-	-	-	-	-	72 651	78 354	90 154

Ratepayer & Other revenue	18(1)a		-	-	-	-	-	-	-	84 131	90 811	104 663
Change in consumer debtors (current and non-current)			-	-	-	-	-	-	-	24 716	(9 937)	6 810
Operating and Capital Grant Revenue	18(1)a		-	-	-	-	-	-	-	82 262	68 254	70 786
Capital expenditure - total	20(1)(vi)		-	-	-	-	-	-	-	87 123	58 136	51 773
Capital expenditure - renewal	20(1)(vi)		-	-	-	-	-	-	-	-	-	-
Supporting benchmarks												
Growth guideline maximum			6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%
CPI guideline			4,3%	3,9%	4,6%	5,0%	5,0%	5,0%	5,0%	5,4%	5,6%	5,4%
DoRA operating grants total MFY												
DoRA capital grants total MFY												
Provincial operating grants												
Provincial capital grants												
District Municipality grants												
Total gazetted/advised national, provincial and district grants										-	-	-
Average annual collection rate (arrears inclusive)												
DoRA operating												
<i>List operating grants</i>												
										-	-	-
DoRA capital												
<i>List capital grants</i>												
										-	-	-
Trend												
Change in consumer debtors (current and non-current)			-	-	-	-	24 716	(9 937)	6 810	-	-	-
Total Operating Revenue												
			-	-	-	-	-	-	-	129 950	139 756	156 316
Total Operating Expenditure												
			-	-	-	-	-	-	-	155 288	163 917	172 285
Operating Performance Surplus/(Deficit)												
			-	-	-	-	-	-	-	(25 338)	(24 161)	(15 969)
Cash and Cash Equivalents (30 June 2012)												
										(27 432)		
Revenue												
% Increase in Total Operating Revenue				0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	7,5%	11,8%
% Increase in Property Rates Revenue				0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	6,4%	6,4%

% Increase in Electricity Revenue				0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	9,2%	10,7%
% Increase in Property Rates & Services Charges				0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	8,4%	16,8%
Expenditure												
% Increase in Total Operating Expenditure				0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	5,6%	5,1%
% Increase in Employee Costs				0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	5,0%	4,4%
% Increase in Electricity Bulk Purchases				0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	8,0%	8,0%
Average Cost Per Budgeted Employee Position (Remuneration)					0	0				0		
Average Cost Per Councillor (Remuneration)					0	0				0		
R&M % of PPE			0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	2,9%	2,8%	2,6%
Asset Renewal and R&M as a % of PPE			0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	4,0%	4,0%	4,0%
Debt Impairment % of Total Billable Revenue			0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	26,7%	26,6%	24,3%
Capital Revenue												
Internally Funded & Other (R'000)			-	-	-	-	-	-	-	17 630	17 340	17 440
Borrowing (R'000)			-	-	-	-	-	-	-	-	-	-
Grant Funding and Other (R'000)			-	-	-	-	-	-	-	69 843	40 796	34 333
Internally Generated funds % of Non Grant Funding			0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	100,0%	100,0%	100,0%
Borrowing % of Non Grant Funding			0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Grant Funding % of Total Funding			0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	79,8%	70,2%	66,3%
Capital Expenditure												
Total Capital Programme (R'000)			-	-	-	-	-	-	-	87 473	58 486	52 123
Asset Renewal			-	-	-	-	-	-	-	-	-	-
Asset Renewal % of Total Capital Expenditure			0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Cash												
Cash Receipts % of Rate Payer & Other			0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	86,4%	86,3%	86,1%
Cash Coverage Ratio			-	-	-	-	-	-	-	(0)	(0)	(0)
Borrowing												
Credit Rating (2009/10)										0		
Capital Charges to Operating			0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	13,2%	12,6%	12,1%
Borrowing Receipts % of Capital Expenditure			0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Reserves												
Surplus/(Deficit)			-	-	-	-	-	-	-	(93 500)	(161 866)	(195 724)
Free Services												
Free Basic Services as a % of Equitable Share			0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	26,6%	25,9%	9,0%
Free Services as a % of Operating Revenue (excl operational transfers)			0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	2,7%	2,6%	2,4%
High Level Outcome of Funding Compliance												
Total Operating Revenue			-	-	-	-	-	-	-	129 950	139 756	156 316

Total Operating Expenditure		-	-	-	-	-	-	-	155 288	163 917	172 285
Surplus/(Deficit) Budgeted Operating Statement		-	-	-	-	-	-	-	(25 338)	(24 161)	(15 969)
Surplus/(Deficit) Considering Reserves and Cash Backing		-	-	-	-	-	-	-	(93 500)	(161 866)	(195 724)
MTREF Funded (1) / Unfunded (0)	15	1	1	1	1	1	1	1	0	0	0
MTREF Funded ✓ / Unfunded ✖	15	✓	✓	✓	✓	✓	✓	✓	✖	✖	✖

1.12.5.1 Cash/cash equivalent position

The municipality's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The municipality show a positive cash equivalent position for the MTREF period

1.12.5.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

1.12.5.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts.

1.12.5.4 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term.

1.12.5.5 Property Rates/service charge revenue as a percentage increase less macro inflation target

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth.

1.12.5.6 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget.

1.12.5.7 Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. Adequate provision has been appropriated the MTREF period.

1.12.5.8 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

1.12.5.9 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded.

1.12.5.10 Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The municipality has budgeted for all transfers.

1.12.5.11 Consumer debtors change (Current and Non-current)

The purpose of these measures is to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. Both measures show a relatively stable trend in line with the municipality's policy of settling debtor accounts within 30 days.

1.12.5.12 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected. Details of the municipality's strategy pertaining to asset management and repairs and maintenance are contained in Table 60 MBRR SA34C

1.12.5.13 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets. Further details in this regard are contained in Table 59 MBRR SA34b.

Expenditure on grants and reconciliations of unspent funds

Table 39 MBRR SA19 - Expenditure on transfers and grant programmes

Description R thousand	Re f	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
EXPENDITURE:	1									
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		-	-	-	-	-	-	44 729	48 855	51 731
Local Government Equitable Share								41 384	45 255	47 871
Finance Management								2 345	2 600	2 860
EPWP Incentive								1 000	1 000	1 000
Other transfers/grants [insert description]										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	840	840	722
Library								840	840	722
Total operating expenditure of Transfers and Grants:		-	-	-	-	-	-	45 569	49 695	52 453

Capital expenditure of Transfers and Grants										
National Government:										
Municipal Infrastructure Grant (MIG)	-	-	-	-	-	-	69 843	38 796	33 333	
Regional Bulk Infrastructure							23 693	17 559	18 333	
							5 150	21 237	15 000	
Water Services Infrastructure Grant and INEP							41 000			
Provincial Government:										
Other capital transfers/grants [insert description]	-	-	-	-	-	-	-	-	-	
District Municipality:										
[insert description]	-	-	-	-	-	-	-	-	-	
Other grant providers:										
Library	-	-	-	-	-	-	-	-	-	
Total capital expenditure of Transfers and Grants							69 843	38 796	33 333	
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS							115 412	88 491	85 786	

Table 40 MBRR SA 20 - Reconciliation between of transfers, grants

NC078 Siyancuma - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description		Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Operating transfers and grants:		1,3									
National Government:											
Balance unspent at beginning of the year			34 004	38 250	42 691	—	—	—	—	—	—
Current year receipts						50 143	42 343	42 343	43 280	41 600	41 082
Conditions met - transferred to revenue			34 004	38 250	42 691	50 143	42 343	42 343	43 280	41 600	41 082
Conditions still to be met - transferred to liabilities			—	—	—	—	—	—	—	—	—
Provincial Government:											
Balance unspent at beginning of the year			—	—	—	—	—	—	—	—	—
Current year receipts			—	—	—	—	—	—	648	670	687
Conditions met - transferred to revenue			—	—	—	—	—	—	648	670	687
Conditions still to be met - transferred to liabilities			—	—	—	—	—	—	—	—	—
District Municipality:											
Balance unspent at beginning of the year			—	—	—	—	—	—	—	—	—
Current year receipts			—	—	—	—	—	—	—	—	—
Conditions met - transferred to revenue			—	—	—	—	—	—	—	—	—
Conditions still to be met - transferred to liabilities			—	—	—	—	—	—	—	—	—
Other grant providers:											
Balance unspent at beginning of the year			—	—	—	—	—	—	—	—	—
Current year receipts			—	—	—	—	—	—	—	—	—
Conditions met - transferred to revenue			—	—	—	—	—	—	—	—	—
Conditions still to be met - transferred to liabilities			—	—	—	—	—	—	—	—	—
Total operating transfers and grants revenue			34 004	38 250	42 691	50 143	42 343	42 343	43 928	42 270	41 769
Total operating transfers and grants - CTBM		2	—	—	—	—	—	—	—	—	—
Capital transfers and grants:		1,3									
National Government:											
Balance unspent at beginning of the year			—	—	—	—	—	—	—	—	—
Current year receipts			6 630	24 491	13 203	30 823	24 523	24 523	23 587	22 340	22 293
Conditions met - transferred to revenue			6 630	24 491	13 203	30 823	24 523	24 523	23 587	22 340	22 293
Conditions still to be met - transferred to liabilities			—	—	—	—	—	—	—	—	—
Provincial Government:											
Balance unspent at beginning of the year			—	—	—	—	—	—	—	—	—
Current year receipts			—	56	—	400	6 300	6 300	610	610	680
Conditions met - transferred to revenue			—	56	—	400	6 300	6 300	610	610	680
Conditions still to be met - transferred to liabilities			—	—	—	—	—	—	—	—	—
District Municipality:											
Balance unspent at beginning of the year			—	—	—	—	—	—	—	—	—
Current year receipts			—	—	—	—	—	—	—	—	—
Conditions met - transferred to revenue			—	—	—	—	—	—	—	—	—
Conditions still to be met - transferred to liabilities			—	—	—	—	—	—	—	—	—
Other grant providers:											
Balance unspent at beginning of the year			—	—	—	—	—	—	—	—	—
Current year receipts			—	—	—	—	—	—	—	—	—
Conditions met - transferred to revenue			—	—	—	—	—	—	—	—	—
Conditions still to be met - transferred to liabilities			—	—	—	—	—	—	—	—	—
Total capital transfers and grants revenue			6 630	24 547	13 203	31 223	30 823	30 823	24 197	22 950	22 973
Total capital transfers and grants - CTBM		2	—	—	—	—	—	—	—	—	—
TOTAL TRANSFERS AND GRANTS REVENUE			40 634	62 797	55 894	81 366	73 166	73 166	68 125	65 220	64 742
TOTAL TRANSFERS AND GRANTS - CTBM			—	—	—	—	—	—	—	—	—

1.13 Councillor and employee benefits

Table 41 MBRR SA22 - Summary of councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<u>Councillors (Political Office Bearers plus Other)</u>	1	A	B	C	D	E	F	G	H	I
Basic Salaries and Wages								3 765	3 991	4 190
Pension and UIF Contributions										
Medical Aid Contributions										
Motor Vehicle Allowance										
Cellphone Allowance								340	360	378
Housing Allowances										
Other benefits and allowances										
Sub Total - Councillors		-	-	-	-	-	-	4 105	4 351	4 569
% increase	4		-	-	-	-	-	-	6,0%	5,0%
<u>Senior Managers of the Municipality</u>	2									
Basic Salaries and Wages								2 501	2 626	2 744
Pension and UIF Contributions								342	359	375
Medical Aid Contributions								115	121	126
Overtime								-	-	-
Performance Bonus								-	-	-
Motor Vehicle Allowance	3							369	388	405
Cellphone Allowance	3							34	36	37
Housing Allowances	3							46	49	51
Other benefits and allowances	3							17	17	18
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Municipality		-	-	-	-	-	-	3 424	3 596	3 757
% increase	4		-	-	-	-	-	-	5,0%	4,5%
<u>Other Municipal Staff</u>										

Basic Salaries and Wages								28 755	30 162	31 467
Pension and UIF Contributions								4 314	4 529	4 733
Medical Aid Contributions								1 987	2 085	2 179
Overtime								1 441	1 512	1 580
Performance Bonus								-	-	-
Motor Vehicle Allowance	3							1 999	2 099	2 194
Cellphone Allowance	3							92	97	101
Housing Allowances	3							529	556	581
Other benefits and allowances	3							2 435	2 557	2 672
Payments in lieu of leave								350	368	384
Long service awards								230	242	252
Post-retirement benefit obligations	6							402	422	441
Sub Total - Other Municipal Staff		-	-	-	-	-	-	42 536	44 628	46 585
% increase	4	-	-	-	-	-	-	-	4,9%	4,4%
Total Parent Municipality		-	-	-	-	-	-	50 065	52 575	54 911
<u>Board Members of Entities</u>		-	-	-	-	-	-	-	5,0%	4,4%
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Board Fees										
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Board Members of Entities		-	-	-	-	-	-	-	-	-
% increase	4	-	-	-	-	-	-	-	-	-
<u>Senior Managers of Entities</u>										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										

Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Entities		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-
Other Staff of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-
Total Municipal Entities		-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS		-	-	-	-	-	-	50 065	52 575	54 911
% increase	4		-	-	-	-	-	-	5,0%	4,4%
TOTAL MANAGERS AND STAFF	5,7	-	-	-	-	-	-	45 960	48 224	50 342

Table 43 MBRR SA24 – Summary of personnel numbers

NC078 Siyancuma - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers		Ref	2013/14			Current Year 2014/15			Budget Year 2015/16		
Number		1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities											
Councillors (Political Office Bearers plus Other Councillors)			11	–	–	11	–	–	11	–	–
Board Members of municipal entities	4		–	–	–	–	–	–	–	–	–
Municipal employees											
Municipal Manager and Senior Managers	5		–	–	–	–	–	–	–	–	–
Other Managers	3		4	1	3	4	1	3	4	–	4
Professionals	7		–	–	–	–	–	–	9	9	–
Finance			39	39	–	45	45	–	–	–	–
Spatial/town planning			34	34	–	40	40	–	–	–	–
Information Technology			–	–	–	–	–	–	–	–	–
Roads			–	–	–	–	–	–	–	–	–
Electricity			–	–	–	–	–	–	–	–	–
Water			–	–	–	–	–	–	–	–	–
Sanitation			–	–	–	–	–	–	–	–	–
Refuse			–	–	–	–	–	–	–	–	–
Other			5	5	–	5	5	–	–	–	–
Technicians			119	118	1	123	122	1	6	6	–
Finance			–	–	–	–	–	–	–	–	–
Spatial/town planning			–	–	–	–	–	–	–	–	–
Information Technology			–	–	–	–	–	–	–	–	–
Roads			10	9	1	10	9	1	1	1	–
Electricity			8	8	–	8	8	–	2	2	–
Water			13	13	–	15	15	–	2	2	–
Sanitation			22	22	–	22	22	–	1	1	–
Refuse			13	13	–	15	15	–	–	–	–
Other			53	53	–	53	53	–	–	–	–
Clerks (Clerical and administrative)			–	–	–	–	–	–	103	103	–
Service and sales workers			–	–	–	–	–	–	–	–	–
Skilled agricultural and fishery workers			–	–	–	–	–	–	–	–	–
Craft and related trades			–	–	–	–	–	–	–	–	–
Plant and Machine Operators			–	–	–	–	–	–	29	29	–
Elementary Occupations			–	–	–	–	–	–	105	105	–
TOTAL PERSONNEL NUMBERS	9		173	158	4	183	168	4	267	252	4
% increase						5,8%	6,3%	–	45,9%	50,0%	–
Total municipal employees headcount	6, 10								93	90	3
Finance personnel headcount	8, 10								58	57	1
Human Resources personnel headcount	8, 10								2	2	–

Description	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue By Source															
Property rates	900	900	900	900	900	900	900	900	900	900	900	900	10 802	11 489	12 222
Service charges - electricity revenue	3 183	3 183	3 183	3 183	3 183	3 183	3 183	3 183	3 183	3 183	3 183	3 183	38 198	41 725	46 171
Service charges - water revenue	1 503	1 503	1 503	1 503	1 503	1 503	1 503	1 503	1 503	1 503	1 503	1 503	18 032	19 487	22 523
Service charges - sanitation revenue	305	305	305	305	305	305	305	305	305	305	305	305	3 655	3 986	8 923
Service charges - refuse revenue	265	265	265	265	265	265	265	265	265	265	265	265	3 179	3 360	3 690
Service charges - other	15	15	15	15	15	15	15	15	15	15	15	15	185	198	210
Rental of facilities and equipment	25	25	25	25	25	25	25	25	25	25	25	25	302	312	325
Interest earned - external															
investments	21	21	21	21	21	21	21	21	21	21	21	21	250	250	200
Interest earned - outstanding debtors	33	33	33	33	33	33	33	33	33	33	33	33	400	450	480
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	266	266	266	266	266	266	266	266	266	266	266	266	3 191	3 351	3 518
Licences and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services	7	7	7	7	7	7	7	7	7	7	7	7	80	85	90
Transfers and subsidies	3 797	3 841	3 841	3 841	3 841	3 841	3 841	3 841	3 841	3 841	3 841	3 358	45 569	48 695	51 453
Other revenue	509	509	509	509	509	509	509	509	509	509	509	509	6 107	6 370	6 511
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	10 829	10 873	10 873	10 873	10 873	10 873	10 873	10 873	10 873	10 873	10 873	10 390	129 950	139 756	156 316
Expenditure By Type															
Employee related costs	3 779	3 830	3 830	3 830	3 830	3 830	3 830	3 830	3 830	3 830	3 830	3 273	45 353	47 616	49 735
Remuneration of councillors	342	342	342	342	342	342	342	342	342	342	342	342	4 105	4 351	4 569
Debt impairment	1 649	1 649	1 649	1 649	1 649	1 649	1 649	1 649	1 649	1 649	1 649	1 649	19 791	21 328	22 819
Depreciation & asset impairment	704	704	704	704	704	704	704	704	704	704	704	704	8 442	8 332	7 626
Finance charges	146	146	146	146	146	146	146	146	146	146	146	146	1 756	1 784	1 813
Bulk purchases	3 273	3 273	3 273	3 273	3 273	3 273	3 273	3 273	3 273	3 273	3 273	3 273	39 273	42 409	45 802
Other materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services	141	141	141	141	141	141	141	141	141	141	141	141	1 689	1 750	1 800
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	2 907	2 937	2 937	2 937	2 937	2 937	2 937	2 937	2 937	2 937	2 937	2 604	34 880	36 346	38 121
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Total Expenditure	12 941	13 022	13 022	13 022	13 022	13 022	13 022	13 022	13 022	13 022	13 022	12 132	155 288	163 917	172 285
Surplus/(Deficit)	(2 112)	(2 148)	(2 148)	(2 148)	(2 148)	(2 148)	(2 148)	(2 148)	(2 148)	(2 148)	(2 148)	(1 742)	(25 338)	(24 161)	(15 969)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	3 058	3 058	3 058	3 058	3 058	3 058	3 058	3 058	3 058	3 058	3 058	3 058	36 693	19 559	19 333
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)	2 763	2 763	2 763	2 763	2 763	2 763	2 763	2 763	2 763	2 763	2 763	2 763	33 150	21 237	15 000
Surplus/(Deficit) after capital transfers & contributions	3 709	3 672	3 672	3 672	3 672	3 672	3 672	3 672	3 672	3 672	3 672	4 078	44 505	16 635	18 364
Taxation												–	–	–	–
Attributable to minorities												–	–	–	–
Share of surplus/ (deficit) of associate												–	–	–	–
Surplus/(Deficit)	3 709	3 672	3 672	3 672	3 672	3 672	3 672	3 672	3 672	3 672	3 672	4 078	44 505	16 635	18 364

Description	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	November	Decem ber	Januar y	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue by Vote																
Vote 1 - MUNICIPAL MANAGER	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - COUNCIL	228	228	228	228	228	228	228	228	228	228	228	228	228	2 734	2 870	3 008
Vote 3 - CORPORATE AND HUMAN RESOURCES	19	19	19	19	19	19	19	19	19	19	19	19	19	230	250	22
Vote 4 - FINANCE	4 403	4 403	4 403	4 403	4 403	4 403	4 403	4 403	4 403	4 403	4 403	4 403	4 403	52 838	57 587	61 062
Vote 5 - PROPERTIES	17	17	17	17	17	17	17	17	17	17	17	17	17	209	217	225
Vote 6 - LIBRARIES	70	114	114	114	114	114	114	114	114	114	114	114	(370)	840	840	722
Vote 7 - CEMETARY	3	3	3	3	3	3	3	3	3	3	3	3	3	40	45	50
Vote 8 - PARKS AND RECREATION	5	5	5	5	5	5	5	5	5	5	5	5	5	63	63	66
Vote 9 - DISASTER MANAGEMENT	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

Vote 10 - WASTE MANAGEMENT	265	265	265	265	265	265	265	265	265	265	265	265	3 179	3 360	3 690
Vote 11 - PUBLIC WORKS	83	83	83	83	83	83	83	83	83	83	83	83	1 000	–	–
Vote 12 - ELECTRICITY	3 643	3 643	3 643	3 643	3 643	3 643	3 643	3 643	3 643	3 643	3 643	3 643	43 719	47 469	52 260
Vote 13 - WATER	1 520	1 520	1 520	1 520	1 520	1 520	1 520	1 520	1 520	1 520	1 520	1 520	18 242	19 710	22 758
Vote 14 - WASTE WATER MANAGEMENT	305	305	305	305	305	305	305	305	305	305	305	305	3 660	3 991	8 929
Vote 15 - TRAFFIC	266	266	266	266	266	266	266	266	266	266	266	266	3 195	3 355	3 523
Total Revenue by Vote	10 829	10 873	10 873	10 873	10 873	10 873	10 873	10 873	10 873	10 873	10 873	10 389	129 949	139 755	156 315
<u>Expenditure by Vote to be appropriated</u>															
Vote 1 - MUNICIPAL MANAGER	164	164	164	164	164	164	164	164	164	164	164	164	1 962	2 052	2 138
Vote 2 - COUNCIL	472	472	472	472	472	472	472	472	472	472	472	472	5 661	6 011	6 320
Vote 3 - CORPORATE AND HUMAN RESOURCES	1 448	1 448	1 448	1 448	1 448	1 448	1 448	1 448	1 448	1 448	1 448	1 448	17 374	18 195	18 757
Vote 4 - FINANCE	1 662	1 662	1 662	1 662	1 662	1 662	1 662	1 662	1 662	1 662	1 662	1 662	19 940	21 181	22 195
Vote 5 - PROPERTIES	230	230	230	230	230	230	230	230	230	230	230	230	2 765	3 003	3 248
Vote 6 - LIBRARIES	212	293	293	293	293	293	293	293	293	293	293	(596)	2 545	2 862	2 908
Vote 7 - CEMETARY	48	48	48	48	48	48	48	48	48	48	48	48	578	606	635
Vote 8 - PARKS AND RECREATION	108	108	108	108	108	108	108	108	108	108	108	108	1 295	1 350	1 428
Vote 9 - DISASTER MANAGEMENT	50	50	50	50	50	50	50	50	50	50	50	50	598	618	641
Vote 10 - WASTE MANAGEMENT	568	568	568	568	568	568	568	568	568	568	568	568	6 813	7 218	7 611
Vote 11 - PUBLIC WORKS	904	904	904	904	904	904	904	904	904	904	904	904	10 853	10 257	10 245
Vote 12 - ELECTRICITY	4 218	4 218	4 218	4 218	4 218	4 218	4 218	4 218	4 218	4 218	4 218	4 218	50 614	54 423	58 365
Vote 13 - WATER	1 522	1 522	1 522	1 522	1 522	1 522	1 522	1 522	1 522	1 522	1 522	1 522	18 263	19 309	20 161
Vote 14 - WASTE WATER MANAGEMENT	1 075	1 075	1 075	1 075	1 075	1 075	1 075	1 075	1 075	1 075	1 075	1 075	12 898	13 539	14 189
Vote 15 - TRAFFIC	261	261	261	261	261	261	261	261	261	261	261	261	3 130	3 291	3 444
Total Expenditure by Vote	12 941	13 022	13 022	13 022	13 022	13 022	13 022	13 022	13 022	13 022	13 022	12 132	155 288	163 917	172 285
Surplus/(Deficit) before assoc.	(2 112)	(2 148)	(2 148)	(2 148)	(2 148)	(2 148)	(2 148)	(2 148)	(2 148)	(2 148)	(2 148)	(1 743)	(25 339)	(24 162)	(15 970)
Taxation												–	–	–	–
Attributable to minorities												–	–	–	–
Share of surplus/ (deficit) of associate												–	–	–	–
Surplus/(Deficit)	(2 112)	(2 148)	(2 148)	(2 148)	(2 148)	(2 148)	(2 148)	(2 148)	(2 148)	(2 148)	(2 148)	(1 743)	(25 339)	(24 162)	(15 970)

Description	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue - Functional															
<i>Governance and administration</i>	4 668	4 668	4 668	4 668	4 668	4 668	4 668	4 668	4 668	4 668	4 668	4 668	56 011	60 923	64 317
Executive and council	228	228	228	228	228	228	228	228	228	228	228	228	2 734	2 870	3 008
Finance and administration	4 440	4 440	4 440	4 440	4 440	4 440	4 440	4 440	4 440	4 440	4 440	4 440	53 277	58 053	61 309
Internal audit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>	79	123	123	123	123	123	123	123	123	123	123	(361)	943	948	838
Community and social services	73	117	117	117	117	117	117	117	117	117	117	(367)	880	885	772
Sport and recreation	5	5	5	5	5	5	5	5	5	5	5	5	63	63	66
Public safety	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	350	350	350	350	350	350	350	350	350	350	350	350	4 195	3 355	3 523
Planning and development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport	350	350	350	350	350	350	350	350	350	350	350	350	4 195	3 355	3 523
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	5 733	5 733	5 733	5 733	5 733	5 733	5 733	5 733	5 733	5 733	5 733	5 733	68 800	74 529	87 637
Energy sources	3 643	3 643	3 643	3 643	3 643	3 643	3 643	3 643	3 643	3 643	3 643	3 643	43 719	47 469	52 260
Water management	1 520	1 520	1 520	1 520	1 520	1 520	1 520	1 520	1 520	1 520	1 520	1 520	18 242	19 710	22 758
Waste water management	305	305	305	305	305	305	305	305	305	305	305	305	3 660	3 991	8 929
Waste management	265	265	265	265	265	265	265	265	265	265	265	265	3 179	3 360	3 690
<i>Other</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	10 829	10 873 14 861	10 873 14 861	10 873 14 861	10 873 14 861	10 873 14 861	10 873 14 861	10 873 14 861	10 873 14 861	10 873 14 861	10 873 14 861	10 389	129 949	139 755	156 315
Expenditure - Functional															
<i>Governance and administration</i>	3 975	3 975	3 975	3 975	3 975	3 975	3 975	3 975	3 975	3 975	3 975	3 975	47 702	50 443	52 659
Executive and council	635	635	635	635	635	635	635	635	635	635	635	635	7 623	8 063	8 458
Finance and administration	3 340	3 340	3 340	3 340	3 340	3 340	3 340	3 340	3 340	3 340	3 340	3 340	40 079	42 379	44 200
Internal audit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>	418	499	499	499	499	499	499	499	499	499	499	(390)	5 016	5 437	5 611

Community and social services	260	341	341	341	341	341	341	341	341	341	341	(548)	3 123	3 468	3 543
Sport and recreation	108	108	108	108	108	108	108	108	108	108	108	108	1 295	1 350	1 428
Public safety	50	50	50	50	50	50	50	50	50	50	50	50	598	618	641
Housing												-	-	-	-
Health												-	-	-	-
<i>Economic and environmental services</i>	1 165	1 165	1 165	1 165	1 165	1 165	1 165	1 165	1 165	1 165	1 165	1 165	13 983	13 548	13 689
Planning and development												-	-	-	-
Road transport	1 165	1 165	1 165	1 165	1 165	1 165	1 165	1 165	1 165	1 165	1 165	1 165	13 983	13 548	13 689
Environmental protection												-	-	-	-
<i>Trading services</i>	7 382	7 382	7 382	7 382	7 382	7 382	7 382	7 382	7 382	7 382	7 382	7 382	88 587	94 489	100 326
Energy sources	4 218	4 218	4 218	4 218	4 218	4 218	4 218	4 218	4 218	4 218	4 218	4 218	50 614	54 423	58 365
Water management	1 522	1 522	1 522	1 522	1 522	1 522	1 522	1 522	1 522	1 522	1 522	1 522	18 263	19 309	20 161
Waste water management	1 075	1 075	1 075	1 075	1 075	1 075	1 075	1 075	1 075	1 075	1 075	1 075	12 898	13 539	14 189
Waste management	568	568	568	568	568	568	568	568	568	568	568	568	6 813	7 218	7 611
<i>Other</i>	-											-	-	-	-
Total Expenditure - Functional	12 941	13 022	13 022	13 022	13 022	13 022	13 022	13 022	13 022	13 022	13 022	12 132	155 288	163 917	172 285
Surplus/(Deficit) before assoc.	(2 112)	(2 148)	(2 148)	(2 148)	(2 148)	(2 148)	(2 148)	(2 148)	(2 148)	(2 148)	(2 148)	(1 743)	(25 339)	(24 162)	(15 970)
Share of surplus/ (deficit) of associate												-	-	-	-
Surplus/(Deficit)	(2 112)	(2 148)	(2 148)	(2 148)	(2 148)	(2 148)	(2 148)	(2 148)	(2 148)	(2 148)	(2 148)	(1 743)	(25 339)	(24 162)	(15 970)

Description	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<u>Multi-year expenditure to be appropriated</u>															
Vote 1 - MUNICIPAL MANAGER												-	-	-	-
Vote 2 - COUNCIL												-	-	-	-
Vote 3 - CORPORATE AND HUMAN RESOURCES												-	-	-	-
Vote 4 - FINANCE												-	-	-	-
Vote 5 - PROPERTIES												-	-	-	-

Vote 6 - LIBRARIES												-	-	-	-
Vote 7 - CEMETARY												-	-	-	-
Vote 8 - PARKS AND RECREATION												-	-	-	-
Vote 9 - DISASTER MANAGEMENT												-	-	-	-
Vote 10 - WASTE MANAGEMENT												-	-	-	-
Vote 11 - PUBLIC WORKS												-	-	-	-
Vote 12 - ELECTRICITY												-	-	-	-
Vote 13 - WATER												-	-	-	-
Vote 14 - WASTE WATER MANAGEMENT												-	-	-	-
Vote 15 - TRAFFIC												-	-	-	-
Capital multi-year expenditure sub-total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Single-year expenditure to be appropriated</u>															
Vote 1 - MUNICIPAL MANAGER												-	-	-	-
Vote 2 - COUNCIL												-	-	-	-
Vote 3 - CORPORATE AND HUMAN RESOURCES												-	-	-	-
Vote 4 - FINANCE												-	-	-	-
Vote 5 - PROPERTIES												-	-	-	-
Vote 6 - LIBRARIES												-	-	-	-
Vote 7 - CEMETARY												-	-	-	-
Vote 8 - PARKS AND RECREATION	572	572	572	572	572	572	572	572	572	572	572	572	6 867	-	-
Vote 9 - DISASTER MANAGEMENT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - WASTE MANAGEMENT	-	-	-	-	-	-	-	-	-	-	-	-	-	1 507	18 333
Vote 11 - PUBLIC WORKS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - ELECTRICITY	2 175	2 175	2 175	2 175	2 175	2 175	2 175	2 175	2 175	2 175	2 175	2 175	26 101	11 693	9 640
Vote 13 - WATER	2 358	2 358	2 358	2 358	2 358	2 358	2 358	2 358	2 358	2 358	2 358	2 358	28 300	29 937	23 800
Vote 14 - WASTE WATER MANAGEMENT	2 155	2 155	2 155	2 155	2 155	2 155	2 155	2 155	2 155	2 155	2 155	2 155	25 855	14 999	-
Vote 15 - TRAFFIC												-	-	-	-
Capital single-year expenditure sub-total	7 260	7 260	7 260	7 260	7 260	7 260	7 260	7 260	7 260	7 260	7 260	7 260	87 123	58 136	51 773
Total Capital Expenditure	7 260	7 260	7 260	7 260	7 260	7 260	7 260	7 260	7 260	7 260	7 260	7 260	87 123	58 136	51 773

Table 44 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

Description R thousand	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Capital Expenditure - Functional	1															
<i>Governance and administration</i>		-	-	-	-	-	-	-	-	-	-	-	350	350	350	350
Executive and council													150	150	150	150
Finance and administration													200	200	200	200
Internal audit													-	-	-	-
<i>Community and public safety</i>		572	572	572	572	572	572	572	572	572	572	572	572	6 867	-	-
Community and social services													-	-	-	-
Sport and recreation		572	572	572	572	572	572	572	572	572	572	572	572	6 867	-	-
Public safety													-	-	-	-
Housing													-	-	-	-
Health													-	-	-	-
<i>Economic and environmental services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Planning and development													-	-	-	-
Road transport													-	-	-	-
Environmental protection													-	-	-	-
<i>Trading services</i>		6 688	6 688	6 688	6 688	6 688	6 688	6 688	6 688	6 688	6 688	6 688	6 688	80 256	58 136	51 773
Energy sources		2 175	2 175	2 175	2 175	2 175	2 175	2 175	2 175	2 175	2 175	2 175	2 175	26 101	11 693	9 640
Water management		2 358	2 358	2 358	2 358	2 358	2 358	2 358	2 358	2 358	2 358	2 358	2 358	28 300	29 937	23 800
Waste water management		2 155	2 155	2 155	2 155	2 155	2 155	2 155	2 155	2 155	2 155	2 155	2 155	25 855	14 999	-
Waste management													-	-	1 507	18 333
<i>Other</i>													-	-	-	-
Total Capital Expenditure - Functional	2	7 260	7 260	7 260	7 260	7 260	7 260	7 260	7 260	7 260	7 260	7 260	7 610	87 473	58 486	52 123
Funded by:																

National Government	23 281				23 281				23 281			-	69 843	40 796	34 333
Provincial Government												-	-	-	-
District Municipality												-	-	-	-
Other transfers and grants												-	-	-	-
Transfers recognised - capital	23 281	-	-	-	23 281	-	-	-	23 281	-	-	-	69 843	40 796	34 333
Public contributions & donations												-	-	-	-
Borrowing	17 280											(17 280)	-	-	-
Internally generated funds												17 630	17 630	17 340	17 440
Total Capital Funding	40 561	-	-	-	23 281	-	-	-	23 281	-	-	350	87 473	58 136	51 773

NC078 Siyancuma - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<u>Cash Receipts By Source</u>													1		
Property rates	765	765	765	765	765	765	765	765	765	765	765	765	9 182	9 765	10 389
Service charges - electricity revenue	2 706	2 706	2 706	2 706	2 706	2 706	2 706	2 706	2 706	2 706	2 706	2 706	32 468	35 466	39 245
Service charges - water revenue	1 277	1 277	1 277	1 277	1 277	1 277	1 277	1 277	1 277	1 277	1 277	1 277	15 327	16 564	19 144
Service charges - sanitation revenue	259	259	259	259	259	259	259	259	259	259	259	259	3 107	3 388	7 585
Service charges - refuse revenue	225	225	225	225	225	225	225	225	225	225	225	225	2 702	2 856	3 137
Service charges - other	15	15	15	15	15	15	15	15	15	15	15	15	185	198	210
Rental of facilities and equipment	25	25	25	25	25	25	25	25	25	25	25	25	302	312	325

Interest earned - external investments	21	21	21	21	21	21	21	21	21	21	21	21	250	250	200
Interest earned - outstanding debtors	33	33	33	33	33	33	33	33	33	33	33	33	400	450	480
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–			
Fines, penalties and forfeits	266	266	266	266	266	266	266	266	266	266	266	266	3 191	3 351	3 518
Licences and permits	–	–	–	–	–	–	–	–	–	–	–	–			
Agency services	7	7	7	7	7	7	7	7	7	7	7	7	80	85	90
Transfer receipts - operational	3 841	3 841	3 841	3 841	3 841	3 841	3 841	3 841	3 841	3 841	3 841	3 841	46 096	49 222	52 098
Other revenue	509	509	509	509	509	509	509	509	509	509	509	509	6 107	6 370	6 511
Cash Receipts by Source	9 950	9 950	9 950	9 950	9 950	9 950	9 950	9 950	9 950	9 950	9 950	9 950	119 397	128 276	142 932
Other Cash Flows by Source															
Transfer receipts - capital	23 281				23 281				23 281			–	69 843	40 796	34 333
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)															
Proceeds on disposal of PPE												–			
Short term loans												–			
Borrowing long term/refinancing												–			
Increase (decrease) in consumer deposits	(1 600)	(1 600)	(1 600)	(1 600)	(1 600)	(1 600)	(1 600)	(1 600)	(1 600)	(1 600)	(1 600)	17 600			
Decrease (Increase) in non-current debtors												–			
Decrease (increase) other non-current receivables												–			
Decrease (increase) in non-current investments												–			

Total Cash Receipts by Source	31 631	8 350	8 350	8 350	31 631	8 350	8 350	8 350	31 631	8 350	8 350	27 550	189 240	169 072	177 265
<u>Cash Payments by Type</u>															
Employee related costs	3 830	3 830	3 830	3 830	3 830	3 830	3 830	3 830	3 830	3 830	3 830	3 830	45 960	48 224	50 342
Remuneration of councillors	342	342	342	342	342	342	342	342	342	342	342	342	4 105	4 351	4 569
Finance charges	146	146	146	146	146	146	146	146	146	146	146	146	1 756	1 784	1 813
Bulk purchases - Electricity	3 229	3 229	3 229	3 229	3 229	3 229	3 229	3 229	3 229	3 229	3 229	3 229	38 748	41 848	45 196
Bulk purchases - Water & Sewer	44	44	44	44	44	44	44	44	44	44	44	44	525	562	607
Other materials	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Contracted services	141	141	141	141	141	141	141	141	141	141	141	141	1 689	1 750	1 800
Transfers and grants - other municipalities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and grants - other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other expenditure	2 937	2 937	2 937	2 937	2 937	2 937	2 937	2 937	2 937	2 937	2 937	2 937	35 243	36 564	38 339
Cash Payments by Type	10 669	10 669	10 669	10 669	10 669	10 669	10 669	10 669	10 669	10 669	10 669	10 669	128 026	135 082	142 665
Other Cash Flows/Payments by Type															
Capital assets	5 820	5 820	5 820	5 820	5 820	5 820	5 820	5 820	5 820	5 820	5 820	5 820	69 843	40 796	34 333
Repayment of borrowing	1 567	1 567	1 567	1 567	1 567	1 567	1 567	1 567	1 567	1 567	1 567	1 567	18 803	18 863	18 963
Other Cash Flows/Payments	(1 600)	(1 600)	(1 600)	(1 600)	(1 600)	(1 600)	(1 600)	(1 600)	(1 600)	(1 600)	(1 600)	17 600	–	–	–
Total Cash Payments by Type	16 456	16 456	16 456	16 456	16 456	16 456	16 456	16 456	16 456	16 456	16 456	35 656	216 672	194 742	195 962
NET INCREASE/(DECREASE) IN CASH HELD	15 175	(8 106)	(8 106)	(8 106)	15 175	(8 106)	(8 106)	(8 106)	15 175	(8 106)	(8 106)	(8 106)	(27 432)	(25 669)	(18 697)
Cash/cash equivalents at the month/year begin:		15 175	7 069	(1 038)	(9 144)	6 031	(2 075)	(10 182)	(18 288)	(3 113)	(11 219)	(19 326)	–	(27 432)	(53 101)
Cash/cash equivalents at the month/year end:	15 175	7 069	(1 038)	(9 144)	6 031	(2 075)	(10 182)	(18 288)	(3 113)	(11 219)	(19 326)	(27 432)	(27 432)	(53 101)	(71 798)

1.14 Contracts having future budgetary implications

In terms of the Municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

1.15 Capital expenditure details

The following three tables present details of the Municipality's capital expenditure programme, firstly on new assets, then the renewal of assets, repair and maintenance of assets, and finally on depreciation.

Table 45 MBRR SA 34a - Capital expenditure on new assets by asset class

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<u>Capital expenditure on new assets by Asset Class/Sub-class</u>										
-										
<u>Infrastructure</u>		-	-	-	-	-	-	80 256	58 136	51 773
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Roads										
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		-	-	-	-	-	-	26 101	11 693	9 640
Power Plants								26 101	11 693	9 640
HV Substations										
HV Switching Station										
HV Transmission										
Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares										
Water Supply Infrastructure		-	-	-	-	-	-	28 300	29 937	23 800
Dams and Weirs										
Boreholes										
Reservoirs										

<i>Pump Stations</i>									
<i>Water Treatment</i>									
<i>Works</i>							28 300	29 937	23 800
<i>Bulk Mains</i>									
<i>Distribution</i>									
<i>Distribution Points</i>									
<i>PRV Stations</i>									
<i>Capital Spares</i>									
Sanitation Infrastructure	-	-	-	-	-	-	25 855	14 999	-
<i>Pump Station</i>									
<i>Reticulation</i>									
<i>Waste Water</i>									
<i>Treatment Works</i>							25 855	14 999	-
<i>Outfall Sewers</i>									
<i>Toilet Facilities</i>									
<i>Capital Spares</i>									
Solid Waste									
Infrastructure	-	-	-	-	-	-	-	1 507	18 333
<i>Landfill Sites</i>									
<i>Waste Transfer</i>									
<i>Stations</i>									
<i>Waste Processing</i>									
<i>Facilities</i>									
<i>Waste Drop-off Points</i>									
<i>Waste Separation</i>									
<i>Facilities</i>								1 507	18 333
<i>Electricity Generation</i>									
<i>Facilities</i>									
<i>Capital Spares</i>									
Rail Infrastructure	-	-	-	-	-	-	-	-	-
<i>Rail Lines</i>									
<i>Rail Structures</i>									
<i>Rail Furniture</i>									
<i>Drainage Collection</i>									
<i>Storm water</i>									
<i>Conveyance</i>									
<i>Attenuation</i>									
<i>MV Substations</i>									
<i>LV Networks</i>									
<i>Capital Spares</i>									

Coastal Infrastructure	-	-	-	-	-	-	-	-	-
<i>Sand Pumps</i>									
<i>Piers</i>									
<i>Revetments</i>									
<i>Promenades</i>									
<i>Capital Spares</i>									
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-
<i>Data Centres</i>									
<i>Core Layers</i>									
<i>Distribution Layers</i>									
<i>Capital Spares</i>									
Community Assets	-	-	-	-	-	-	6 867	-	-
Community Facilities	-	-	-	-	-	-	-	-	-
<i>Halls</i>									
<i>Centres</i>									
<i>Crèches</i>									
<i>Clinics/Care Centres</i>									
<i>Fire/Ambulance</i>									
Stations									
<i>Testing Stations</i>									
<i>Museums</i>									
<i>Galleries</i>									
<i>Theatres</i>									
<i>Libraries</i>									
<i>Cemeteries/Crematori</i>									
<i>a</i>									
<i>Police</i>									
<i>Parks</i>									
<i>Public Open Space</i>									
<i>Nature Reserves</i>									
<i>Public Ablution</i>									
Facilities									
<i>Markets</i>									
<i>Stalls</i>									
<i>Abattoirs</i>									

<i>Airports</i>									
<i>Taxi Ranks/Bus</i>									
<i>Terminals</i>									
<i>Capital Spares</i>									
Sport and Recreation									
Facilities	-	-	-	-	-	-	6 867	-	-
<i>Indoor Facilities</i>									
<i>Outdoor Facilities</i>							6 867		
<i>Capital Spares</i>									
Heritage assets	-	-	-	-	-	-	-	-	-
<i>Monuments</i>									
<i>Historic Buildings</i>									
<i>Works of Art</i>									
<i>Conservation Areas</i>									
<i>Other Heritage</i>									
Investment properties	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
<i>Improved Property</i>									
<i>Unimproved Property</i>									
Non-revenue Generating	-	-	-	-	-	-	-	-	-
<i>Improved Property</i>									
<i>Unimproved Property</i>									
Other assets	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-	-
<i>Municipal Offices</i>									
<i>Pay/Enquiry Points</i>									
<i>Building Plan Offices</i>									
<i>Workshops</i>									
<i>Yards</i>									
<i>Stores</i>									
<i>Laboratories</i>									
<i>Training Centres</i>									
<i>Manufacturing Plant</i>									
<i>Depots</i>									

<i>Capital Spares</i>									
Housing	-	-	-	-	-	-	-	-	-
Staff Housing									
Social Housing									
Capital Spares									
<u>Biological or Cultivated Assets</u>	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets									
<u>Intangible Assets</u>	-	-	-	-	-	-	-	-	-
Servitudes									
Licences and Rights	-	-	-	-	-	-	-	-	-
Water Rights									
Effluent Licenses									
Solid Waste Licenses									
Computer Software and Applications									
Load Settlement Software Applications									
Unspecified									
<u>Computer Equipment</u>	-	-	-	-	-	-	200	200	200
Computer Equipment							200	200	200
<u>Furniture and Office Equipment</u>	-	-	-	-	-	-	150	150	150
Furniture and Office Equipment							150	150	150
<u>Machinery and Equipment</u>	-	-	-	-	-	-	-	-	-
Machinery and Equipment									
<u>Transport Assets</u>	-	-	-	-	-	-	-	-	-
Transport Assets									
<u>Libraries</u>	-	-	-	-	-	-	-	-	-
Libraries									

Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals										
Total Capital Expenditure on new assets	1	-	-	-	-	-	-	87 473	58 486	52 123

Table 46 MBRR SA 34b - Capital expenditure on renewal assets by asset class

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<u>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</u>										
-										
<u>Infrastructure</u>		-	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Roads										
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission										
Conductors										
MV Substations										
MV Switching Stations										
MV Networks										

<i>LV Networks</i>									
<i>Capital Spares</i>									
Water Supply Infrastructure	-	-	-	-	-	-	-	-	-
<i>Dams and Weirs</i>									
<i>Boreholes</i>									
<i>Reservoirs</i>									
<i>Pump Stations</i>									
<i>Water Treatment Works</i>									
<i>Bulk Mains</i>									
<i>Distribution</i>									
<i>Distribution Points</i>									
<i>PRV Stations</i>									
<i>Capital Spares</i>									
Sanitation Infrastructure	-	-	-	-	-	-	-	-	-
<i>Pump Station</i>									
<i>Reticulation</i>									
<i>Waste Water Treatment Works</i>									
<i>Outfall Sewers</i>									
<i>Toilet Facilities</i>									
<i>Capital Spares</i>									
Solid Waste Infrastructure	-	-	-	-	-	-	-	-	-
<i>Landfill Sites</i>									
<i>Waste Transfer Stations</i>									
<i>Waste Processing Facilities</i>									
<i>Waste Drop-off Points</i>									
<i>Waste Separation Facilities</i>									
<i>Electricity Generation Facilities</i>									
<i>Capital Spares</i>									
Rail Infrastructure	-	-	-	-	-	-	-	-	-
<i>Rail Lines</i>									
<i>Rail Structures</i>									
<i>Rail Furniture</i>									
<i>Drainage Collection</i>									
<i>Storm water Conveyance</i>									

<i>Attenuation</i>									
<i>MV Substations</i>									
<i>LV Networks</i>									
<i>Capital Spares</i>									
Coastal Infrastructure	-	-	-	-	-	-	-	-	-
<i>Sand Pumps</i>									
<i>Piers</i>									
<i>Revetments</i>									
<i>Promenades</i>									
<i>Capital Spares</i>									
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-
<i>Data Centres</i>									
<i>Core Layers</i>									
<i>Distribution Layers</i>									
<i>Capital Spares</i>									
Community Assets	-	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-
<i>Halls</i>									
<i>Centres</i>									
<i>Crèches</i>									
<i>Clinics/Care Centres</i>									
<i>Fire/Ambulance</i>									
Stations									
<i>Testing Stations</i>									
<i>Museums</i>									
<i>Galleries</i>									
<i>Theatres</i>									
<i>Libraries</i>									
<i>Cemeteries/Crematori</i>									
a									
<i>Police</i>									
<i>Parks</i>									
<i>Public Open Space</i>									
<i>Nature Reserves</i>									
<i>Public Ablution</i>									
Facilities									
<i>Markets</i>									
<i>Stalls</i>									

<i>Abattoirs</i>									
<i>Airports</i>									
<i>Taxi Ranks/Bus</i>									
<i>Terminals</i>									
<i>Capital Spares</i>									
Sport and Recreation									
Facilities	-	-	-	-	-	-	-	-	-
<i>Indoor Facilities</i>									
<i>Outdoor Facilities</i>									
<i>Capital Spares</i>									
Heritage assets	-	-	-	-	-	-	-	-	-
<i>Monuments</i>									
<i>Historic Buildings</i>									
<i>Works of Art</i>									
<i>Conservation Areas</i>									
<i>Other Heritage</i>									
Investment properties	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
<i>Improved Property</i>									
<i>Unimproved Property</i>									
Non-revenue Generating	-	-	-	-	-	-	-	-	-
<i>Improved Property</i>									
<i>Unimproved Property</i>									
Other assets	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-	-
<i>Municipal Offices</i>									
<i>Pay/Enquiry Points</i>									
<i>Building Plan Offices</i>									
<i>Workshops</i>									
<i>Yards</i>									
<i>Stores</i>									
<i>Laboratories</i>									
<i>Training Centres</i>									
<i>Manufacturing Plant</i>									
<i>Depots</i>									
<i>Capital Spares</i>									

Housing	-	-	-	-	-	-	-	-	-
<i>Staff Housing</i>									
<i>Social Housing</i>									
<i>Capital Spares</i>									
<u>Biological or Cultivated Assets</u>	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets									
<u>Intangible Assets</u>	-	-	-	-	-	-	-	-	-
Servitudes									
Licences and Rights	-	-	-	-	-	-	-	-	-
<i>Water Rights</i>									
<i>Effluent Licenses</i>									
<i>Solid Waste Licenses</i>									
<i>Computer Software and Applications</i>									
<i>Load Settlement</i>									
<i>Software Applications</i>									
<i>Unspecified</i>									
<u>Computer Equipment</u>	-	-	-	-	-	-	-	-	-
Computer Equipment									
<u>Furniture and Office Equipment</u>	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment									
<u>Machinery and Equipment</u>	-	-	-	-	-	-	-	-	-
Machinery and Equipment									
<u>Transport Assets</u>	-	-	-	-	-	-	-	-	-
Transport Assets									
<u>Libraries</u>	-	-	-	-	-	-	-	-	-
Libraries									
<u>Zoo's, Marine and Non-biological Animals</u>	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals									

Total Capital Expenditure on renewal of existing assets	1	-	-	-	-	-	-	-	-	-
<i>Renewal of Existing Assets as % of total capex</i>		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
<i>Renewal of Existing Assets as % of deprecn"</i>		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%

NC078 Siyancuma - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<u>Repairs and maintenance expenditure by Asset Class/Sub-class</u>										
-										
<u>Infrastructure</u>		-	-	-	-	-	-	12 081	12 822	12 954
Roads Infrastructure		-	-	-	-	-	-	12 081	12 822	12 954
Roads								12 081	12 822	12 954
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission										
Conductors										
MV Substations										
MV Switching Stations										
MV Networks										

<i>LV Networks</i>									
<i>Capital Spares</i>									
Water Supply Infrastructure	-	-	-	-	-	-	-	-	-
<i>Dams and Weirs</i>									
<i>Boreholes</i>									
<i>Reservoirs</i>									
<i>Pump Stations</i>									
<i>Water Treatment Works</i>									
<i>Bulk Mains</i>									
<i>Distribution</i>									
<i>Distribution Points</i>									
<i>PRV Stations</i>									
<i>Capital Spares</i>									
Sanitation Infrastructure	-	-	-	-	-	-	-	-	-
<i>Pump Station</i>									
<i>Reticulation</i>									
<i>Waste Water Treatment Works</i>									
<i>Outfall Sewers</i>									
<i>Toilet Facilities</i>									
<i>Capital Spares</i>									
Solid Waste Infrastructure	-	-	-	-	-	-	-	-	-
<i>Landfill Sites</i>									
<i>Waste Transfer Stations</i>									
<i>Waste Processing Facilities</i>									
<i>Waste Drop-off Points</i>									
<i>Waste Separation Facilities</i>									
<i>Electricity Generation Facilities</i>									
<i>Capital Spares</i>									
Rail Infrastructure	-	-	-	-	-	-	-	-	-
<i>Rail Lines</i>									
<i>Rail Structures</i>									
<i>Rail Furniture</i>									

<i>Drainage Collection</i>									
<i>Storm water</i>									
<i>Conveyance</i>									
<i>Attenuation</i>									
<i>MV Substations</i>									
<i>LV Networks</i>									
<i>Capital Spares</i>									
Coastal Infrastructure	-	-	-	-	-	-	-	-	-
<i>Sand Pumps</i>									
<i>Piers</i>									
<i>Revetments</i>									
<i>Promenades</i>									
<i>Capital Spares</i>									
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-
<i>Data Centres</i>									
<i>Core Layers</i>									
<i>Distribution Layers</i>									
<i>Capital Spares</i>									
Community Assets	-	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-
<i>Halls</i>									
<i>Centres</i>									
<i>Crèches</i>									
<i>Clinics/Care Centres</i>									
<i>Fire/Ambulance</i>									
<i>Stations</i>									
<i>Testing Stations</i>									
<i>Museums</i>									
<i>Galleries</i>									
<i>Theatres</i>									
<i>Libraries</i>									
<i>Cemeteries/Crematoria</i>									
<i>a</i>									
<i>Police</i>									
<i>Purls</i>									

<i>Public Open Space</i>									
<i>Nature Reserves</i>									
<i>Public Ablution Facilities</i>									
<i>Markets</i>									
<i>Stalls</i>									
<i>Abattoirs</i>									
<i>Airports</i>									
<i>Taxi Ranks/Bus Terminals</i>									
<i>Capital Spares</i>									
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
<i>Indoor Facilities</i>									
<i>Outdoor Facilities</i>									
<i>Capital Spares</i>	1	1	1	1	1	1	1	1	1
<u>Heritage assets</u>	-	-	-	-	-	-	-	-	-
<i>Monuments</i>									
<i>Historic Buildings</i>									
<i>Works of Art</i>									
<i>Conservation Areas</i>									
<i>Other Heritage</i>									
<u>Investment properties</u>	-	-	-	-	-	-	-	-	-
<i>Revenue Generating</i>	-	-	-	-	-	-	-	-	-
<i>Improved Property</i>									
<i>Unimproved Property</i>									
<i>Non-revenue Generating</i>	-	-	-	-	-	-	-	-	-
<i>Improved Property</i>									
<i>Unimproved Property</i>									
<u>Other assets</u>	-	-	-	-	-	-	-	-	-
<i>Operational Buildings</i>	-	-	-	-	-	-	-	-	-
<i>Municipal Offices</i>									
<i>Pay/Enquiry Points</i>									
<i>Building Plan Offices</i>									
<i>Workshops</i>									

<i>Yards</i>									
<i>Stores</i>									
<i>Laboratories</i>									
<i>Training Centres</i>									
<i>Manufacturing Plant</i>									
<i>Depots</i>									
<i>Capital Spares</i>									
Housing	-	-	-	-	-	-	-	-	-
<i>Staff Housing</i>									
<i>Social Housing</i>									
<i>Capital Spares</i>									
<u>Biological or Cultivated Assets</u>	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets									
<u>Intangible Assets</u>	-	-	-	-	-	-	-	-	-
Servitudes									
Licences and Rights	-	-	-	-	-	-	-	-	-
<i>Water Rights</i>									
<i>Effluent Licenses</i>									
<i>Solid Waste Licenses</i>									
<i>Computer Software and Applications</i>									
<i>Load Settlement Software Applications</i>									
<i>Unspecified</i>									
<u>Computer Equipment</u>	-	-	-	-	-	-	-	-	-
Computer Equipment									
<u>Furniture and Office Equipment</u>	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment									
<u>Machinery and Equipment</u>	-	-	-	-	-	-	-	-	-
Machinery and Equipment									

<u>Transport Assets</u>		-	-	-	-	-	-	-	-	-
Transport Assets										
<u>Libraries</u>		-	-	-	-	-	-	-	-	-
Libraries										
<u>Zoo's, Marine and Non-biological Animals</u>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals										
Total Repairs and Maintenance Expenditure	1	-	-	-	-	-	-	12 081	12 822	12 954
<i>R&M as a % of PPE</i>		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	3,0%	2,8%
<i>R&M as % Operating Expenditure</i>		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	8,3%	7,9%

MBBR SA 34d-Depreciation by asset class

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<u>Depreciation by Asset Class/Sub-class</u>										
-										
<u>Infrastructure</u>		-	-	-	-	-	-	8 442	8 332	7 626
Roads Infrastructure		-	-	-	-	-	-	8 442	8 332	7 626
Roads								8 442	8 332	7 626
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection										
Storm water										
Conveyance										
Attenuation										

Electrical Infrastructure	-	-	-	-	-	-	-	-	-
Power Plants									
HV Substations									
HV Switching Station									
HV Transmission									
Conductors									
MV Substations									
MV Switching Stations									
MV Networks									
LV Networks									
Capital Spares									
Water Supply Infrastructure	-	-	-	-	-	-	-	-	-
Dams and Weirs									
Boreholes									
Reservoirs									
Pump Stations									
Water Treatment Works									
Bulk Mains									
Distribution									
Distribution Points									
PRV Stations									
Capital Spares									
Sanitation Infrastructure	-	-	-	-	-	-	-	-	-
Pump Station									
Reticulation									
Waste Water Treatment Works									
Outfall Sewers									
Toilet Facilities									
Capital Spares									
Solid Waste Infrastructure	-	-	-	-	-	-	-	-	-
Landfill Sites									
Waste Transfer Stations									
Waste Processing Facilities									
Waste Drop-off Points									

Waste Separation Facilities									
Electricity Generation Facilities									
Capital Spares									
Rail Infrastructure	-	-	-	-	-	-	-	-	-
Rail Lines									
Rail Structures									
Rail Furniture									
Drainage Collection									
Storm water									
Conveyance									
Attenuation									
MV Substations									
LV Networks									
Capital Spares									
Coastal Infrastructure	-	-	-	-	-	-	-	-	-
Sand Pumps									
Piers									
Revetments									
Promenades									
Capital Spares									
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-
Data Centres									
Core Layers									
Distribution Layers									
Capital Spares									
Community Assets	-	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-
Halls									
Centres									
Crèches									
Clinics/Care Centres									
Fire/Ambulance									
Stations									
Testing Stations									

<i>Museums</i>									
<i>Galleries</i>									
<i>Theatres</i>									
<i>Libraries</i>									
<i>Cemeteries/Crematori</i>									
<i>a</i>									
<i>Police</i>									
<i>Parks</i>									
<i>Public Open Space</i>									
<i>Nature Reserves</i>									
<i>Public Ablution</i>									
<i>Facilities</i>									
<i>Markets</i>									
<i>Stalls</i>									
<i>Abattoirs</i>									
<i>Airports</i>									
<i>Taxi Ranks/Bus</i>									
<i>Terminals</i>									
<i>Capital Spares</i>									
Sport and Recreation									
Facilities	-	-	-	-	-	-	-	-	-
<i>Indoor Facilities</i>									
<i>Outdoor Facilities</i>									
<i>Capital Spares</i>									
	-	-	-	-	-	-	-	-	-
<u>Heritage assets</u>									
Monuments									
Historic Buildings									
Works of Art									
Conservation Areas									
Other Heritage									
	-	-	-	-	-	-	-	-	-
<u>Investment properties</u>									
Revenue Generating	-	-	-	-	-	-	-	-	-
<i>Improved Property</i>									
<i>Unimproved Property</i>									
Non-revenue Generating	-	-	-	-	-	-	-	-	-
<i>Improved Property</i>									

<i>Unimproved Property</i>									
<u>Other assets</u>	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-	-
<i>Municipal Offices</i>									
<i>Pay/Enquiry Points</i>									
<i>Building Plan Offices</i>									
<i>Workshops</i>									
<i>Yards</i>									
<i>Stores</i>									
<i>Laboratories</i>									
<i>Training Centres</i>									
<i>Manufacturing Plant</i>									
<i>Depots</i>									
<i>Capital Spares</i>									
Housing	-	-	-	-	-	-	-	-	-
<i>Staff Housing</i>									
<i>Social Housing</i>									
<i>Capital Spares</i>									
<u>Biological or Cultivated Assets</u>	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets									
<u>Intangible Assets</u>	-	-	-	-	-	-	-	-	-
Servitudes									
Licences and Rights	-	-	-	-	-	-	-	-	-
<i>Water Rights</i>									
<i>Effluent Licenses</i>									
<i>Solid Waste Licenses</i>									
<i>Computer Software and Applications</i>									
<i>Load Settlement</i>									
<i>Software Applications</i>									
<i>Unspecified</i>									
<u>Computer Equipment</u>	-	-	-	-	-	-	-	-	-
Computer Equipment									

<u>Furniture and Office Equipment</u>		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment										
<u>Machinery and Equipment</u>		-	-	-	-	-	-	-	-	-
Machinery and Equipment										
<u>Transport Assets</u>		-	-	-	-	-	-	-	-	-
Transport Assets										
<u>Libraries</u>		-	-	-	-	-	-	-	-	-
Libraries										
<u>Zoo's, Marine and Non-biological Animals</u>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals										
Total Depreciation	1	-	-	-	-	-	-	8 442	8 332	7 626

Table 47 MBRR SA36 - Detailed capital budget per municipal vote

Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code 2	Individual ly Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2017/18 Medium Term Revenue & Expenditure Framework			Project information	
										Audited Outcome 2015/16	Current Year 2016/17 Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	Ward location	New or renewal
R thousand	4				6	3	3	5								
Parent municipality:																

Entity Capital expenditure										-	-	-	-	-		
Total Capital expenditure										-	22 619	69 843	40 796	34 333		

1.16 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved.

2. Internship programme

The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department. They have enrolled on a course to comply with the minimum standards.

3. Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

4. Audit Committee

An Audit Committee has been established and is fully functional.

5. Service Delivery and Implementation Plan

The detailed SDBIP document, directly aligned and informed by the 2017/18 MTREF, has been tabled and is ready for approval by the Mayor.

6. Annual Report

Annual report is compiled in terms of the MFMA and National Treasury requirements.

7. MFMA Training

MFMA training has commenced.

8. Policies

An amendment of the Municipal Property Rates Regulations as published in Government Notice 363 of 27 March 2009, was announced in Government Gazette 33016 on 12 March 2010. The ratios as prescribed in the Regulations have been complied with.

1.17 Other supporting documents

Table 48 MBRR Table SA1 - Supporting detail to budgeted financial performance

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
REVENUE ITEMS:											
<u>Property rates</u>	6										
Total Property Rates									13 102	13 889	14 722
less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)									2 300	2 400	2 500
Net Property Rates		-	-	-	-	-	-	-	10 802	11 489	12 222
<u>Service charges - electricity revenue</u>	6										
Total Service charges - electricity revenue									39 911	43 558	46 171
less Revenue Foregone (in excess of 50 kwh per indigent household per month)											
less Cost of Free Basis Services (50 kwh per indigent household per month)		-	-	-	-	-	-	-	1 713	1 833	-
Net Service charges - electricity revenue		-	-	-	-	-	-	-	38 198	41 725	46 171
<u>Service charges - water revenue</u>	6										
Total Service charges - water revenue									19 310	20 855	22 523
less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)											
less Cost of Free Basis Services (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	1 278	1 367	-

Net Service charges - water revenue		-	-	-	-	-	-	-	18 032	19 487	22 523
<u>Service charges - sanitation revenue</u>											
Total Service charges - sanitation revenue									7 652	8 262	8 923
<i>less Revenue Foregone (in excess of free sanitation service to indigent households)</i>											
<i>less Cost of Free Basis Services (free sanitation service to indigent households)</i>		-	-	-	-	-	-		3 997	4 276	-
Net Service charges - sanitation revenue		-	-	-	-	-	-	-	3 655	3 986	8 923
<u>Service charges - refuse revenue</u>	6										
Total refuse removal revenue									7 179	7 610	7 990
Total landfill revenue											
<i>less Revenue Foregone (in excess of one removal a week to indigent households)</i>											
<i>less Cost of Free Basis Services (removed once a week to indigent households)</i>		-	-	-	-	-	-		4 000	4 250	4 300
Net Service charges - refuse revenue		-	-	-	-	-	-	-	3 179	3 360	3 690
<u>Other Revenue by source</u>											
<i>Fuel Levy</i>									6 107	6 370	6 511
<i>Other Revenue</i>											
Total 'Other' Revenue	3										
	1	-	-	-	-	-	-	-	6 107	6 370	6 511
EXPENDITURE ITEMS:											
<u>Employee related costs</u>											

Basic Salaries and Wages	2							29 994	31 490	32 888
Pension and UIF Contributions								5 036	5 287	5 525
Medical Aid Contributions								2 273	2 387	2 494
Overtime Performance Bonus								1 820	1 911	1 997
Motor Vehicle Allowance								2 611	2 742	2 862
Cellphone Allowance								114	119	124
Housing Allowances								406	426	445
Other benefits and allowances								3 100	3 255	3 399
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	4									
<i>sub-total</i>	5	-	-	-	-	-	-	45 353	47 616	49 735
<u>Less:</u>										
<u>Employees costs capitalised to PPE</u>										
Total Employee related costs	1	-	-	-	-	-	-	45 353	47 616	49 735
<u>Contributions recognised - capital</u>										
<i>List contributions by contract</i>										
Total Contributions recognised - capital		-	-	-	-	-	-	-	-	-
<u>Depreciation & asset impairment</u>										
Depreciation of Property, Plant & Equipment								8 442	8 332	7 626
Lease amortisation										
Capital asset impairment										
Depreciation resulting from revaluation of PPE	10									
Total Depreciation & asset impairment	1	-	-	-	-	-	-	8 442	8 332	7 626
<u>Bulk purchases</u>										
Electricity Bulk Purchases								38 748	41 848	45 196
Water Bulk Purchases								525	562	607
Total bulk purchases	1	-	-	-	-	-	-	39 273	42 409	45 802

<u>Transfers and grants</u>										
Cash transfers and grants	-	-	-	-	-	-	-	-	-	-
Non-cash transfers and grants	-	-	-	-	-	-	-	-	-	-
Total transfers and grants	1	-	-	-	-	-	-	-	-	-
<u>Contracted services</u>										
Nashua								1 689	1 750	1 800
sub-total	1	-	-	-	-	-	-	1 689	1 750	1 800
Allocations to organs of state:										
Electricity										
Water										
Sanitation										
Other										
Total contracted services	-	-	-	-	-	-	-	1 689	1 750	1 800
<u>Other Expenditure By Type</u>	-									
Collection costs										
Contributions to 'other' provisions										
Consultant fees								5 045	5 500	5 860
Audit fees								2 200	2 500	2 600
General expenses	3							1 613	1 677	1 768
Repairs and Maintenance								4 169	4 409	4 549
Internal Audit Fees								600	650	700
Bank Charges								350	360	370
Valuation Fees								50	50	50
Security services								1 900	2 100	2 300
Environmental Health Samples								105	110	120

Computer Licences									2 500	2 650	2 809
Chemicals									557	572	587
Insurance Cost									440	450	460
Legal expenses									450	473	496
Membership fees											
SALGA									500	550	580
Internal Charges									7 807	8 198	8 668
Fuel									1 654	1 784	1 710
Operating Grant											
Expense									1 150	295	295
Workmens compensation									400	450	450
Printing and stationary									1 160	1 199	1 236
Protective clothing									275	302	318
Telephone									800	850	900
Subsistence and Travelling									1 155	1 218	1 295
Total 'Other' Expenditure	1	-	-	-	-	-	-	-	34 880	36 346	38 121
Repairs and Maintenance by Expenditure Item	8										
Employee related costs											
Other materials									2 346	2 460	2 503
Contracted Services									960	1 033	1 104
Other Expenditure									2 517	2 699	2 653
Total Repairs and Maintenance Expenditure	9	-	-	-	-	-	-	-	5 823	6 193	6 259

1.17.1.1 Table 52 -Schedule of Service Delivery Standards Table

Municipality Siyancuma NC 78 - Schedule of Service Delivery Standards Table	
Description	
Standard	Service Level
Solid Waste Removal	
Premise based removal (Residential Frequency)	Weekly
Premise based removal (Business Frequency)	Weekly
Bulk Removal (Frequency)	Weekly
Removal Bags provided(Yes/No)	Yes
Garden refuse removal Included (Yes/No)	No
Street Cleaning Frequency in CBD	Daily
Street Cleaning Frequency in areas excluding CBD	Weekly
How soon are public areas cleaned after events (24hours/48hours/longer)	24
Clearing of illegal dumping (24hours/48hours/longer)	Longer
Recycling or environmentally friendly practices(Yes/No)	Yes
Licenced landfill site(Yes/No)	Yes
Water Service	
Water Quality rating (Blue/Green/Brown/N0 drop)	Generally good
Is free water available to all? (All/only to the indigent consumers)	Only indigent consumers
Frequency of meter reading? (per month, per year)	Monthly

Are estimated consumption calculated on actual consumption over (two month's/three month's/longer period)	Yes
On average for how long does the municipality use estimates before reverting back to actual readings? (months)	Month
<i>Duration (hours) before availability of water is restored in cases of service interruption (complete the sub questions)</i>	
One service connection affected (number of hours)	Within 12 hours
Up to 5 service connection affected (number of hours)	Within 12 hours
Up to 20 service connection affected (number of hours)	Within 12 hours
Feeder pipe larger than 800mm (number of hours)	Within 12 hours
What is the average minimum water flow in your municipality?	Unknown
Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)	Yes
How long does it take to replace faulty water meters? (days)	Within 5 days
Do you have a cathodic protection system in place that is operational at this stage? (Yes/No)	No
Electricity Service	
What is your electricity availability percentage on average per month?	Unknown
Do your municipality have a ripple control in place that is operational? (Yes/No)	No
How much do you estimate is the cost saving in utilizing the ripple control system?	Sustem not available
What is the frequency of meters being read? (per month, per year)	Monthly
Are estimated consumption calculated at consumption over (two month's/three month's/longer period)	Yes

On average for how long does the municipality use estimates before reverting back to actual readings? (months)	If not replaced, ongoing
Duration before availability of electricity is restored in cases of breakages (immediately/one day/two days/longer)	Within 24 hours
Are accounts normally calculated on actual readings? (Yes/no)	Yes
Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)	No
How long does it take to replace faulty meters? (days)	Within 24 hours
Do you have a plan to prevent illegal connections and prevention of electricity theft? (Yes/No)	No
How effective is the action plan in curbing line losses? (Good/Bad)	Good
How soon does the municipality provide a quotation to a customer upon a written request? (days)	5
How long does the municipality takes to provide electricity service where existing infrastructure can be used? (working days)	180 Days
How long does the municipality takes to provide electricity service for low voltage users where network extension is not required? (working days)	5
How long does the municipality takes to provide electricity service for high voltage users where network extension is not required? (working days)	5
Sewerage Service	
Are your purification system effective enough to put water back in to the system after purification?	No It requires further upgrades
To what extend do you subsidize your indigent consumers?	100
<i>How long does it take to restore sewerage breakages on average</i>	
Severe overflow? (hours)	Whithin 12 hours
Sewer blocked pipes: Large pipes? (Hours)	Whithin 12 hours

Sewer blocked pipes: Small pipes? (Hours)	Within 12 hours
Spillage clean-up? (hours)	Within 12 hours
Replacement of manhole covers? (Hours)	Within 12 hours
Road Infrastructure Services	
Time taken to repair a single pothole on a major road? (Hours)	1
Time taken to repair a single pothole on a minor road? (Hours)	1
Time taken to repair a road following an open trench service crossing? (Hours)	2
Time taken to repair walkways? (Hours)	5
Property valuations	
How long does it take on average from completion to the first account being issued? (one month/three months or longer)	If not replaced, ongoing
Do you have any special rating properties? (Yes/No)	No
Financial Management	
Is there any change in the situation of unauthorised and wasteful expenditure over time? (Decrease/Increase)	Decrease
Are the financial statement outsources? (Yes/No)	Partly
Are there Council adopted business process restructuring the flow and management of documentation feeding to Trial Balance?	No
How long does it take for an Tax/Invoice to be paid from the date it has been received?	Depends on cash flow
Is there advance planning from SCM unit linking all departmental plans quarterly and annually including for the next two to three years procurement plans?	No

Administration	
Reaction time on enquiries and requests?	15 to 20 minutes
Time to respond to a verbal customer enquiry or request? (working days)	5 working days
Time to respond to a written customer enquiry or request? (working days)	14 Days
Time to resolve a customer enquiry or request? (working days)	Depend on complaint
What percentage of calls are not answered? (5%,10% or more)	5
How long does it take to respond to voice mails? (hours)	Minutes
Does the municipality have control over locked enquiries? (Yes/No)	No
Is there a reduction in the number of complaints or not? (Yes/No)	No
How long does it take to open an account to a new customer? (1 day/ 2 days/ a week or longer)	1 Week
How many times does SCM Unit, CFO's Unit and Technical unit sit to review and resolve SCM process delays other than normal monthly management meetings?	Monthly
Community safety and licensing services	
How long does it take to register a vehicle? (minutes)	8 Minutes
How long does it take to renew a vehicle license? (minutes)	5 minutes
How long does it take to issue a duplicate registration certificate vehicle? (minutes)	5 Minutes
How long does it take to de-register a vehicle? (minutes)	5 Minutes
How long does it take to renew a drivers license? (minutes)	15 - 20 minutes
What is the average reaction time of the fire service to an incident? (minutes)	N/A
What is the average reaction time of the ambulance service to an incident in the urban area? (minutes)	N/A

What is the average reaction time of the ambulance service to an incident in the rural area? (minutes)	N/A
Economic development	
How many economic development projects does the municipality drive?	Not Available
How many economic development programme are deemed to be catalytic in creating an enabling environment to unlock key economic growth projects?	Not Available
What percentage of the projects have created sustainable job security?	Not Available
Does the municipality have any incentive plans in place to create an conducive environment for economic development? (Yes/No)	No
Other Service delivery and communication	
Is a information package handed to the new customer? (Yes/No)	No
Does the municipality have training or information sessions to inform the community? (Yes/No)	No
Are customers treated in a professional and humanly manner? (Yes/No)	Yes

Municipal manager's quality certificate

I, **H F NEL**, municipal manager of Siyancuma Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name: H F NEL

Municipal manager of Siyancuma Municipality (NC078)

Signature:_____

Date:_____